ANNUAL BUDGET 2013 - 2016

KOUKAMMA MUNICIPALITY

Tel No: 0422887200
Fax No. 0422880797
Private Bag X011
KAREEDOUW
6400
koukamma@koukamma.gov.za

Our Ref : 3/2/2/3

Your Ref:

All Correspondence must be addressed to the Municipal Manager

Koukamma Municipality

Office of the Municipal Manager

30 May 2013

EXTRACT OF MINUTES OF COUNCIL MEETING HELD IN NOMPUMELELO VILLAGE COMMUNITY HALL ON 28 MAY 2013:

1.1 Report on Medium Term Revenue and Expenditure Framework for the Financial Periods 2013/2014

Council Meeting **28 May 2013**

28/05/2013:281 **Ref: 3/2/2/3**

Resolved

1. That Council approves the Annual Budget of the Koukamma Municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:

1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);

1.2 Budgeted Financial Performance(revenue and expenditure by vote);

1.3 Budgeted Financial Performance (revenue by source and expenditure by type);and

1.4 Multi-Year and single- year capital appropriations by municipal vote and standard classification and associated funding by source.

1.5 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables

1.5.1 Budgeted Financial Position
1.5.2 Budgeted Cash Flows;
1.5.3 Cash backed reserves and accumulated surplus reconciliation;
1.5.4 Asset Management; and
1.5.5 Basic service delivery measurement:

2. That Council of Koukamma Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act, (Act 32 of 2000) approves:

2.1. The tariffs-as set out in Annexure A;

2.2. The tariffs for electricity- as set out in Annexure A

2.3. The tariffs for Sanitation and refuse- as set out in Annexure A

3. That Council, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) as amended approves the tariffs for other services, as set out in Annexure A.
4. That Council, adopts the 2013/14 IDP
5. That Council approves the related policies(inclusive of Property Rates Charges and Taxes, Tariffs amendment to the budget related Policies and Service Charges in terms of Section 24 (2) of the Municipal Finance Management Act, 2003(Act No:56 of 2003).

31/05/2013

S. NKUHLU
Municipal Manager

KOUKAMMA MUNICIPALITY
31 MAY 2013
PRIVATE BAG X011
KAREEDOUW, 6400

2.14 Municipal Manager's quality certificate

I, Sabelo Nkuhlu, Municipal Manager of Koukamma Local Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Municipal Budget and Reporting Regulations, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name MZAMLI ZENZILE

Municipal Manager of Koukamma Municipality (EC 109)

Signature --

Date 31/05/2013

KOUKAMMA MUNICIPALITY

31 MAY 2013

PRIVATE BAG X011
KAREEDOUW, 6400

Table of Contents

PART 1 ANNUAL BUDGET

PART 2 SUPPORTING DOCUMENTATION

Part 1- Annual Budget

1.1 Mayor's Report

The Minister of Finance had stated in his budget speech in February 2013 that although the world economy remained troubled, there were signs of improvement in that economy and in line with this improvement, that South Africa's economy had continued to grow, albeit at a slower pace than what was expected in the previous year. It was also stated that although South Africa's economic outlook was improving, we "require to actively pursue a different trajectory if we are to address the challenges ahead". This would mean that all sectors of society would have to work together to achieve this.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Koukamma Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitable to all communities.

The 2013/14 Medium Term Revenue and Expenditure Framework and its related policies has been compiled in compliance with the Municipal Finance Management Act No. 56 of 2003 and the Municipal Budget and Reporting Regulations which are aimed at improving credibility, sustainability, transparency, accuracy and reliability of municipal budgets.

The objective of the budget formats reform is to:

1. Ensure that the municipal budget and financial reporting formats support the other financial management reforms introduced by the MFMA;
2. Improve the local governments spheres' ability to deliver basic services to all-
    - Addressing issues of financial sustainability, and
    - Facilitating informed policy choices and medium term planning of service delivery by requiring targets to be aligned to achieve backlog elimination.

The 2013/14 MTREF has been prepared using realistically anticipated estimates and are guided by guidelines as per the National Treasury Budget Circulars. The main aim of the budget is SERVICE DELIVERY. It is also aimed at ensuring that services are effectively and efficiently rendered in the most economical way.

A brief overview of the budget 2013/2014 is as follows:

Total operating income- R 86 125 000
Capital Transfers- R 21 864 000
Total operating expenditure - R 90 066 000
Capital Budget- R 21 887 000

The capital budget would be financed from capital grants received from the Municipal Infrastructure Grant and a small portion from Council funding.

The operating budget is extremely constrained and focuses on service delivery. The reason for this is the limiting income realistically anticipated.

Let us work together to build a better community of Koukamma thus achieving a better life for all.

HIS WORSHIP THE MAYOR
COUNCILLOR N.S VUSO

1.2 Council Resolutions

On the 27th of March 2013 the Council of Koukamma Local Municipality met in Uitkyk Community Hall to consider the approval of the Draft annual budget of the municipality for the financial year 2013/14. It was resolved that Council approves and adopts the following resolutions:

1. The Council of Koukamma Local Municipality, acting in terms of Section 24 of the Municipal Finance Management Act (Act 56 of 2003) approved:
1.1. The Draft Annual Budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
1.1.4. Multi-year and single-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
1.2. The financial position, cash flow budget, cash-backed reserve/ accumulated surplus, asset management and basic service delivery targets are approved as set out in the following table:

1.2.1. Budgeted Financial Position;
1.2.2. Budgeted Cash Flows
1.2.3. Cash backed reserves and accumulated surplus reconciliation;
1.2.4. Asset management; and

1.2.5. Basic service delivery measurement.

2. The Council of Koukamma Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act, (Act 32 of 2000) approved:
2.1. The draft tariffs- as set out in Annexure A,
2.2. The draft tariffs for electricity- as set out in Annexure A
2.3. The draft tariffs for Sanitation-as set out in Annexure A
2.4. The draft tariffs for refuse- as set out in Annexure A

3. The Council of Koukamma, acting in terms of Section 75A of Local Government: Municipal Systems Act (Act 32 of 2000) approved the draft tariffs for other services, as set out in Annexure A.

4. To give effect to the municipality's annual budget, the Council of the Council of Koukamma Local Municipality should approve that:

   4.1 The cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent conditional grants are cash backed as required in terms of Regulation 8 of the Municipal Budget and Reporting Regulations, 2009(MBRR).

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Section 21 of the Municipal Finance Management Act deals with Municipal Budgets and describes the entire budgeting process. The Mayor is tasked with the co-ordinating the processes for preparing the budget, reviewing the Integrated Development Plan (IDP) and budget related policies. The Accounting Officer, as per Section 68 of the MFMA, is required to assist the Mayor in developing and implementing the budgetary process.

When drafting this budget, consideration was given to Section 18 of the MFMA which states that:

"An annual budget may only be funded from-

a) Realistically anticipated revenues to be collected;
b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
c) Borrowed funds, but only for the capital budget referred to in in Section 17(2)

(2) Revenue projections in the budget must be realistic, taking into account-

a) Projected revenue for the current year based on collection levels to date; and

B) Actual revenue collected in previous financial years."

Great emphasis was placed in ensuring that the budget is realistically funded. A complete analysis of the various financial scenarios and outcomes was done and the best viable solution sought.

In addition to the budget, an amendment to the Municipal Systems Act (MSA) and Chapter 4 of the MFMA require that the Integrated Development Plan (IDP) be adopted at the same time of adopting the budget. The IDP informs the budget and their simultaneous adoption will ensure that the budget is properly aligned to the IDP and ensure that planned projects are credible and that the budgets are realistic and implementable. The budget was drafted in conjunction with the IDP.

The annual budget was prepared in accordance to the National Treasury's content and format as contained in Circular 66. The two concepts considered were:

1) That the budget must be funded according to Section 18 of the MFMA(as mentioned above), and
2) That the budget must be credible.

A credible budget is described as one that:

- Funds only activities consistent with the draft IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality.
- Is achievable in terms of agreed service delivery and performance targets.
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- Does not jeopardize the financial viability of the municipality(ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

As mentioned above, the budget was compiled taking into consideration the guidelines outlined in MFMA Budget Circular No 58 for 2013/14 financial year.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds ere transferred from low-to high- priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have items'.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy
- Aging and poorly maintained roads and electricity and water infrastructure.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality'
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents,
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget adopted as upper limits for new baselines for the 2013/14 and annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- There will be no budget allocated to National and Provincial funded projects unless the necessary grants to the municipality are reflected in the National and Provincial budget and have been gazetted as required by the annual Division of Revenue Act (Dora) or MTPS.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium Term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

R Thousand	Adjustment Budget 2012/2013	Budget Year 2013/2014	Budget Year +1 2014/2015	Budget Year + 2015/2016
Total Operating Revenue	166,092,245.00	86 124 681.00	88,894,822.00	95,839,971.00
Total Operating Expenditure	(166,787,098.)	(90,066,223.)	(93,025,215.)	(100,318,871.)
Surplus/Deficit	694,853.00	- 3,941,542.00	- 4,130,393.00	- 4,478,900.00
Total Capital Transfers - MIG	17,763,000.00	21,864,000.00	14,772,000.00	15,379,000.00
Capital Expenditure	(20,807,827.)	(21,886,518.)	(14,843,511)	(15,354,119.)
Surplus/Deficit for the year	R -3,739,680.00	R -3,964,060.00	R -4,201,904.00	R -4,454,019

Total operating revenue has decreased by 48 per cent or R79 967 564 million for the 2013/14 financial year compared to the 2011/12 Adjustments Budget. This is mainly due to the housing rectification grant not being budgeted for in the annual budget 2013/2014. For the two outer years, operational revenue for rates and services will increase by 6 % and 6 % respectively.

Total operating expenditure for the 2013/14 financial year has been appropriated at R 90 066 223. When compared to the 2012/13 Adjustments Budget, operational expenditure has decreased by 45 per cent in the 2013/14 budget and will increase by 6% and 6 % for each of the respective outer years of the MTREF.

1.4 Operating Revenue Framework

For Koukamma to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges and a 98 per cent collection rate for electricity revenue.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/ calculating the revenue requirement of each service;
- The municipality's Property Rates Act,2004 (Act No. 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff Policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description				Current Year 2012/13			2013/14 Medium Term Revenue and Expenditure Framework		
R thousand	2009/10	2010/11	2011/12	Original Budget	Adjusted budget	Full year Forecast	Budget year 2013/14	Budget year +1 2014/15	Budget year +2 2015/16
Revenue by Source									
Property Rates	8 848	9 816	12513	11 279	13 581	13 581	14 396	15 259	16 175
Property rates - penalties & collection Charges									
Service charges - electricity Revenue		1 542	1507	1 887	1 887	1 887	2 038	2 160	2 290
Service charges - refuse revenue		2 507	2685	3 256	3 256	3 256	3 452	3 659	3 878
Rental of facilities and equipment	158	155	85	102	102	102	108	114	121
Interest earned - external investments	4036	2039	955	1 188	2 888	2 888	705	747	792
Interest earned - outstanding debtors				550			500	530	562
Sewerage and Water Tariffs		10629	11801	14 545	14 545	14 545	15 418	16 343	17 324
Fines		294	194	2 752	380	380	4 000	4 240	4 494
Licence and permits				151	0	0	161	170	181
Transfers Recognised – operational	130207	33552	56025	34 100	119 233	119 233	36 789	37 659	41 530
Other revenue	1 955	2739	2682	8 367	7 858	7 858	8 558	8 012	8 493
Total Revenue (excluding capital transfers and contributions)	145204	66 031	88 447	78 177	163 730	163 730	86 125	88 893	95 840

Table 3 Percentage growth in revenue by main revenue source

Description			2013/14 Medium Term revenue and Expenditure framework					
R thousand	Adjusted budget	%	Budget year 2013/14	% 2013/14	Budget year + 2014/15	% 2014/15	Budget year +2 2015/16	% 2015/16
Revenue by source								
Property rates	13 581		14 396	6 %	15 259	6%	16 175	6%
Sewerage and Water tariff	14 545		15 418	6%	16 343	6%	17 323	6%
Service charges - electricity revenue	1 887		2 038	8%	2 160	6%	2 289	6%
Service charges - refuse revenue	3 256		3 451	6%	3 658	6%	3 878	6%
Rental of Facilities and equipment	102		108	6%	114	6%	121	6%
Interest earned - external investment	2 888		705	-309%	747	6%	792	6%
Interest earned outstanding debtors	0		500	100%	530	6%	561	6%
Agency Fees	2 193		4000	45%	4 240	6%	4 494	6%
Fines	380		4000	90%	4 240	6%	4 494	6%
Licences and permits	0		160	100%	170	6%	180	6%
Transfers recognised – operational	119233		36 789	-224%	37659	2.3%	41530	9.32%
Other revenue	5 665		4 558	-24%	3 772	-20%	3 998	6%
Total revenue (excluding capital transfers)	163730		86 125		88 893		95 840	

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket of the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges is estimated to total R33 269 million. This increases to R35 303 million in the 2013/14 year, R37 420 million 2014/15 and R39 665 million 2015/16 million in the respective financial years of the MTREF.

Electricity revenue comprises 2.3% of total operating income. It is proposed that the tariffs for electricity increase by 8 % year on year in order to achieve a gross percentage that is in line with the NERSA guideline of 30% over a four year period.

Property rates are the largest revenue source totalling 16.71 per cent or R14 396 million rand of total operating revenue and increases to R 15 529 million by 2015/16. Income from operating grants that have been gazetted as per the Division of Revenue Act. These operating grants will equal R36 789 million for 2013/14. The other item contributing to revenue is "other income' which consists of various items such as income received from permits and licences, building plan fees, connection fees, rental of facilities and other sundry income. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers total R37 659 million in the 2014/15 financial year and steadily increase to R41 530 million by 2015/16.

The following tables give a breakdown of the various operating grants and capital subsidies allocated to the municipality over the medium term:

Table 4 Operating and Capital Grants Receipts

DETAILS

Capital Grants	**Source of Funding**	**2013/2014**	**2014/2015**	**2015/2016**
MIG - Municipal Infrastructure Grant	COGTA National	16,864,000	14,772,000	15,379,000
Public Works - Fire Services	Public Works	5,000,000		
Total Capital Grants		R 21 864 000	R 14,772,000	R 15,379,000
Operational Grants				
Equitable Share	National Treasury	29,628,000	31,844,000	35,457,000
Councillors Remuneration	National Treasury	1,756,000	2,037,000	2,114,000
FMG	National Treasury	1,650,000	1,800,000	1,950,000
MSIG	COGTA - National	890,000	934,000	967,000
LED	Local Government and Traditional Affairs-Provincial	117,000	112,000	110,000
Expanded Public Works	Public Works	1,000,000		
Environmental Health	Cacadu	816,000		
Library Subsidies	Department of Sports-Provincial	932,000	932,000	932,000
Total Operating Grants		36,789, 000	37,659,000	41,530,000

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

The percentage increases of the Eskom electricity tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariff levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows:

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the ratio for the non-residential categories, Public Service Infrastructure and agricultural properties relative to residential properties to be 0,251:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

In terms of the Municipal Property Rates Act, property valuations need to be assessed every four years for inclusion in the General Valuation Roll. There have been no major changes to the rates tariffs for 2013/14.The categories of rateable properties for the purpose of levying rates and the proposed rates for 2013/14 is contained in the table below.

Table 5 Comparison of proposed rates to be levied for the 2013/14 financial year

Tariffs are attached as a separate appendix to the report.

1.4.2 Sale of Electricity and Impact of Tariff Increases

Considering the Eskom increases and the current gross profit percentages for the electricity business unit, the consumer tariff is proposed to be increased to result in an overall increase in electricity income of 8 per cent from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30 day period free of charge. It should further be noted in a meeting in April 2013 with the delegation from the NERSA the Municipality was advised that a stepped tariff structure needs to be implemented from 1 July 2013. Until the discussions are concluded, the Municipality will maintain the current structure of its electricity tariffs.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Owing to high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff- as the resultant tariff increases would be unaffordable for consumers.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- Balanced budget constrain (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the assets renewal and backlogs eradication.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services, and
- Strict adherence to the principle of no project plan, no budget. If there is no business plan, no funding allocation can be made
-

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure)

Table 7 Summary of operating expenditure by standard classification item

	Audited	Audited	Audited	Current Year 2013/14				2013/14 Medium Term Revenue & Expenditure Framework	
Description	**2009/10**	**2010/11**	**2011/12**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget year 2013/14**	**Budget year +1 2014/15**	**Budget year +2 2015/16**
R Thousands									
Expenditure by Type									
Employee related cost	9 847	21 023	27 042	33 484	31 689	31 689	36 232	37 919	40 180
Remuneration of councillors	1 715	2 041	2 289	2 497	2 575	2 575	2 768	2 935	3 111
Debit impairment	0	13 905	- 9 441	2 434	2 434	2 434	2 582	2 735	2 899
Depreciation & asset impairment	0	15 883	11 272	3 740	3 740	3 740	3 964	4 202	4 454
Finance charges	79	154	704	160	160	160	150	159	169
Bulk Purchases	0	1 745	2 022	3 362	3 445	3 445	4 256	4 512	4 782
Contracted services	644	1 261	1 864	2 998	3 338	3 338	3 539	3 751	3 977
Transfers and grants – FBE	10	60	2 843	10 631	10 294	10 294	10 944	11 590	12 285
General Expenses	6 086	12 771	12 569	19 744	20 975	20 975	20 891	21 445	24 503
Transfer & Grants-Conditional	805	25 557	37 036	2 717	88 137	88 137	4 740	3 777	3 959
Total Expenditures	19 186	94 400	88 200	81 767	166 787	166 787	90 066	93 025	100 319

The budgeted allocation for employee related costs for the 2013/14 financial year totals R36 million, which equals 40 per cent of the total operating expenditure. Circular 66 guidelines have been implemented with regards to the increase in salaries and that has been set at 6.95 per cent for the 2013/14 financial year. The effective increase of salaries is 7 per cent.

The cost associated with the Remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent Proclamation in this regard has been taken into account in compiling the municipality's budget.
The provision of debt impairment was determined based on an annual collection rate. While the expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 3 964 for the 2013/14 financial year and equates to 4.4 per cent of the total expenditure. Note that the implementation of GRAP 17 Accounting Standard has meant bringing a range of assets previously not included in the assets register onto the register.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Our materials comprise of amongst others the purchase of materials for maintenance. In line with the Municipality's repairs and maintenance the expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure.
The following are the main expenditure categories for 2013/14 financial year:

- Employee related costs
- Remuneration of Councillors
- Debt impairment
- Depreciation and Asset Impairment
- Finance Charges
- Bulk Purchases
- Other Materials
- Contracted Services
- Transfers and grants
- Other Expenditure.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide the extensive growth in the area of asset maintenance, as informed by repairs and maintenance of the Municipality. In terms of the Municipal Budget and reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Table 8 Operational repairs and maintenance

	Audit	Audit	Audit	Current Year 2013/14				2013/14 Medium Term Revenue & Expenditure framework	
Description	2009/10	2010/11	2011/12	Original Budget	Adjusted Budget	Full year forecast	Budget Year +1 2013/14	Budget Year +1 2014/15	Budget year +2 2015/16
Repairs and Maintenance by Expenditure item	36	1 060	1 032	2 338	2 705	2 705	1 824	1 591	3 064
Employee related costs									
Other materials									
Contracted Services	644	1 261	1 864	2 998	3 338	3 338	3 540	3 751	3 977
Total Repairs and Maintenance Expenditure	680	2 321	2 896	5 336	6 043	6043	5 364	5 342	7 041

1.5.2 Free Basic Services: Basic Welfare Package

The welfare package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services that households are required to register in terms of the Municipality's Indigent Policy. The estimates for the 2013/14 for free basic services are seen in table 7 under the heading transfers and grants and are estimated to be R11 million for the 2013/14 financial year. It is made up of the 50kWh free electricity, refuse, sanitation; 6kl free water, grave site as well as rebates on rates.

1.5 Capital Expenditure

Capital expenditure for the next three years is funded by Grants and small portion of Council funding. This is due to significant constraints of Council funds as highlighted in the sections above and the significant impact that the increase in the bulk electricity tariffs had had on the cash flow of the municipality. The Capital Grants to be received are highlighted in the Executive Summary above.

1.6.1 Future Operational cost of new infrastructure

The future operational costs and revenues associated with the Capital Programme have been considered and this expenditure has been factored into two outer years of the operational budget.

1.6 Annual Budget tables

The following pages present the ten budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations (MBRR). These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by self-explanatory notes.

Table 9 MBRR Table A1- Budget Summary

EC109 Kou-Kamma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		**137,819**	**40,974**	**23,295**	**43,298**	**47,118**	**47,118**	**46,076**	**48,462**	**53,046**
Executive and council		1,051	–	2,166	22,276	21,276	21,276	23,705	25,741	28,943
Budget and treasury office		136,628	40,170	19,767	20,771	25,591	25,591	22,355	22,704	24,085
Corporate services		140	803	1,361	251	251	251	17	18	19
Community and public safety		**7,844**	**60,962**	**54,956**	**5,875**	**88,043**	**88,043**	**12,570**	**6,017**	**6,323**
Community and social services		1,136	956	2,404	2,156	3,653	3,653	2,154	1,141	1,154
Sport and recreation		–	1,502	1,546	–	–	–	–	–	–
Public safety		1,817	1,282	2,402	3,719	380	380	9,600	4,876	5,169
Housing		121	542	29,503	–	84,010	84,010	–	–	–
Health		4,770	56,680	19,100	–	–	–	816	–	–
Economic and environmental services		**16,904**	**1,775**	**9,223**	**15,833**	**16,673**	**16,673**	**5,140**	**5,281**	**5,575**
Planning and development		1,602	122	2,418	169	435	435	297	302	312
Road transport		15,302	1,653	6,805	15,663	16,238	16,238	4,843	4,979	5,263
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**25,755**	**21,409**	**18,798**	**30,934**	**32,021**	**32,021**	**44,203**	**43,906**	**46,275**
Electricity		2,561	–	3,723	4,389	4,409	4,409	3,137	3,326	3,525
Water		11,734	9,375	4,149	14,784	15,851	15,851	25,764	24,361	25,558
Waste water management		7,709	8,887	7,573	8,093	8,093	8,093	10,549	11,182	11,853
Waste management		3,751	3,147	3,354	3,668	3,668	3,668	4,752	5,037	5,340
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	**188,321**	**125,119**	**106,271**	**95,940**	**183,855**	**183,855**	**107,989**	**103,667**	**111,219**
Expenditure - Standard										
Governance and administration		**16,008**	**24,654**	**(35,392)**	**35,337**	**34,759**	**34,759**	**38,089**	**40,074**	**43,769**
Executive and council		4,541	4,511	7,857	7,183	7,058	7,058	7,790	8,257	8,752
Budget and treasury office		11,436	19,744	(44,108)	16,543	15,659	15,659	17,336	18,418	19,936
Corporate services		31	399	858	11,611	12,042	12,042	12,964	13,399	15,081
Community and public safety		**5,051**	**15,667**	**35,567**	**8,002**	**93,799**	**93,799**	**10,941**	**9,620**	**10,141**
Community and social services		1,237	2,422	3,205	3,671	5,618	5,618	5,460	4,672	4,896
Sport and recreation		(7)	301	73	209	167	167	143	151	161
Public safety		2,314	2,676	2,908	3,854	3,685	3,685	4,181	4,432	4,698
Housing		717	10,264	29,375	254	84,322	84,322	344	365	387
Health		790	4	6	14	6	6	813	–	–
Economic and environmental services		**2,991**	**23,198**	**7,083**	**6,355**	**7,633**	**7,633**	**6,902**	**7,304**	**8,233**
Planning and development		596	1,116	3,952	1,558	1,934	1,934	1,938	2,042	2,156
Road transport		2,395	22,082	3,131	4,797	5,699	5,699	4,964	5,262	6,078
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**52,100**	**19,827**	**79,744**	**32,074**	**30,596**	**30,596**	**34,134**	**36,027**	**38,175**
Electricity		26,323	2,991	2,469	8,572	7,510	7,510	6,845	7,256	7,691
Water		11,536	7,115	69,009	11,394	10,556	10,556	12,693	13,299	14,083
Waste water management		8,933	5,611	4,669	6,193	6,394	6,394	7,848	8,319	8,818
Waste management		5,308	4,110	3,597	5,914	6,136	6,136	6,749	7,154	7,583
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	**76,150**	**83,346**	**87,002**	**81,768**	**166,787**	**166,787**	**90,066**	**93,025**	**100,319**
Surplus/(Deficit) for the year		**112,171**	**41,773**	**19,270**	**14,172**	**17,068**	**17,068**	**17,922**	**10,642**	**10,900**

Explanatory Notes to MBRR Table A1- Budget Summary

1. Table A1 is a budget summary and concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasis the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

   a. The operating surplus/deficit (after Total expenditure) over the MTREF.
   b. Capital expenditure is balanced by Capital Funding sources, of which
      i. Transfers recognised are reflected on the Financial Performance Budget.

4. The Cash backing/surplus reconciliation shows that the budget has been funded and that this situation is improving year on year resulting in increased working capital.

5. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs

Table 10 MBRR Table A2- Budgeted Financial Performance (revenue and expenditure by standard classification)

EC109 Kou-Kamma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		**137,819**	**40,974**	**23,295**	**43,298**	**47,118**	**47,118**	**46,076**	**48,462**	**53,046**
Executive and council		1,051	–	2,166	22,276	21,276	21,276	23,705	25,741	28,943
Budget and treasury office		136,628	40,170	19,767	20,771	25,591	25,591	22,355	22,704	24,085
Corporate services		140	803	1,361	251	251	251	17	18	19
Community and public safety		**7,844**	**60,962**	**54,956**	**5,875**	**88,043**	**88,043**	**12,570**	**6,017**	**6,323**
Community and social services		1,136	956	2,404	2,156	3,653	3,653	2,154	1,141	1,154
Sport and recreation		–	1,502	1,546	–	–	–	–	–	–
Public safety		1,817	1,282	2,402	3,719	380	380	9,600	4,876	5,169
Housing		121	542	29,503	–	84,010	84,010	–	–	–
Health		4,770	56,680	19,100	–	–	–	816	–	–
Economic and environmental services		**16,904**	**1,775**	**9,223**	**15,833**	**16,673**	**16,673**	**5,140**	**5,281**	**5,575**
Planning and development		1,602	122	2,418	169	435	435	297	302	312
Road transport		15,302	1,653	6,805	15,663	16,238	16,238	4,843	4,979	5,263
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**25,755**	**21,409**	**18,798**	**30,934**	**32,021**	**32,021**	**44,203**	**43,906**	**46,275**
Electricity		2,561	–	3,723	4,389	4,409	4,409	3,137	3,326	3,525
Water		11,734	9,375	4,149	14,784	15,851	15,851	25,764	24,361	25,558
Waste water management		7,709	8,887	7,573	8,093	8,093	8,093	10,549	11,182	11,853
Waste management		3,751	3,147	3,354	3,668	3,668	3,668	4,752	5,037	5,340
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	188,321	125,119	106,271	95,940	183,855	183,855	107,989	103,667	111,219
Expenditure - Standard										
Governance and administration		**16,008**	**24,654**	**(35,392)**	**35,337**	**34,759**	**34,759**	**38,089**	**40,074**	**43,769**
Executive and council		4,541	4,511	7,857	7,183	7,058	7,058	7,790	8,257	8,752
Budget and treasury office		11,436	19,744	(44,108)	16,543	15,659	15,659	17,336	18,418	19,936
Corporate services		31	399	858	11,611	12,042	12,042	12,964	13,399	15,081
Community and public safety		**5,051**	**15,667**	**35,567**	**8,002**	**93,799**	**93,799**	**10,941**	**9,620**	**10,141**
Community and social services		1,237	2,422	3,205	3,671	5,618	5,618	5,460	4,672	4,896
Sport and recreation		(7)	301	73	209	167	167	143	151	161
Public safety		2,314	2,676	2,908	3,854	3,685	3,685	4,181	4,432	4,698
Housing		717	10,264	29,375	254	84,322	84,322	344	365	387
Health		790	4	6	14	6	6	813	–	–
Economic and environmental services		**2,991**	**23,198**	**7,083**	**6,355**	**7,633**	**7,633**	**6,902**	**7,304**	**8,233**
Planning and development		596	1,116	3,952	1,558	1,934	1,934	1,938	2,042	2,156
Road transport		2,395	22,082	3,131	4,797	5,699	5,699	4,964	5,262	6,078
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**52,100**	**19,827**	**79,744**	**32,074**	**30,596**	**30,596**	**34,134**	**36,027**	**38,175**
Electricity		26,323	2,991	2,469	8,572	7,510	7,510	6,845	7,256	7,691
Water		11,536	7,115	69,009	11,394	10,556	10,556	12,693	13,299	14,083
Waste water management		8,933	5,611	4,669	6,193	6,394	6,394	7,848	8,319	8,818
Waste management		5,308	4,110	3,597	5,914	6,136	6,136	6,749	7,154	7,583
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	76,150	83,346	87,002	81,768	166,787	166,787	90,066	93,025	100,319
Surplus/(Deficit) for the year		112,171	41,773	19,270	14,172	17,068	17,068	17,922	10,642	10,900

Explanatory notes to MBRR Table A2- Budgeted Financial Performance (revenue and expenditure by standard)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised- capital) and balances to the operating revenue shown on Table A4

3. Note that as general principle the revenues for Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity.

4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Governance and Administration.

Table 11 MBRR Table A3-Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC109 Kou-Kamma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		1,191	803	3,528	22,282	21,291	21,291	23,721	25,758	28,961
Vote 2 - FINANCE & ADMINISTRATION		136,628	40,170	19,767	21,007	25,826	25,826	22,355	22,704	24,085
Vote 3 - PLANNING & DEVELOPMENT		1,602	122	2,418	169	435	435	297	302	312
Vote 4 - HEALTH		–	–	–	–	–	–	816	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES		1,136	956	2,404	2,165	3,085	3,085	2,154	1,141	1,154
Vote 6 - HOUSING		121	542	29,503	–	84,010	84,010	–	–	–
Vote 7 - PUBLIC SAFETY		1,817	1,282	2,402	3,719	380	380	9,600	4,876	5,169
Vote 8 - SPORT& RECREATION		–	1,502	1,546	–	–	–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION		–	–	–	–	–	–	–	–	–
Vote 10 - WASTE MANAGEMENT		3,751	3,147	3,354	3,668	3,668	3,668	4,752	5,037	5,340
Vote 11 - WASTE WATER MANAGEMENT		7,709	8,887	7,573	8,093	8,093	8,093	10,549	11,182	11,853
Vote 12 - ROAD TRANSPORT		15,302	1,653	6,805	15,663	16,238	16,238	4,843	4,979	5,263
Vote 13 - WATER		11,734	9,375	4,149	14,784	15,851	15,851	25,764	24,361	25,558
Vote 14 - ELECTRICITY		2,561	–	3,723	4,389	4,409	4,409	3,137	3,326	3,525
Vote 15 - OTHER		4,770	56,679	19,100	–	568	568	–	–	–
Total Revenue by Vote	2	**188,321**	**125,119**	**106,271**	**95,940**	**183,855**	**183,855**	**107,989**	**103,667**	**111,219**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - EXECUTIVE & COUNCIL		4,572	4,910	8,716	8,177	8,255	8,255	9,022	9,563	10,137
Vote 2 - FINANCE & ADMINISTRATION		11,436	19,744	(44,108)	27,151	26,504	26,504	29,067	30,511	33,632
Vote 3 - PLANNING & DEVELOPMENT		596	1,116	3,952	1,558	1,934	1,934	1,938	2,042	2,156
Vote 4 - HEALTH		1	4	6	14	6	6	813	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES		1,237	2,422	3,205	3,681	5,103	5,103	5,460	4,672	4,896
Vote 6 - HOUSING		717	10,264	29,375	254	84,322	84,322	344	365	387
Vote 7 - PUBLIC SAFETY		2,314	2,676	2,908	3,854	3,685	3,685	4,181	4,432	4,698
Vote 8 - SPORT& RECREATION		(7)	301	73	209	167	167	143	151	161
Vote 9 - ENVONMENTAL PROTECTION		–	–	–	–	–	–	–	–	–
Vote 10 - WASTE MANAGEMENT		5,308	4,110	3,597	5,914	6,136	6,136	6,749	7,154	7,583
Vote 11 - WASTE WATER MANAGEMENT		8,933	5,611	4,669	6,193	6,394	6,394	7,848	8,319	8,818
Vote 12 - ROAD TRANSPORT		2,395	13,357	3,131	4,797	5,699	5,699	5,807	6,000	6,847
Vote 13 - WATER		11,536	7,115	69,009	11,394	10,556	10,556	11,849	12,560	13,314
Vote 14 - ELECTRICITY		26,323	2,991	2,469	8,572	7,510	7,510	6,845	7,256	7,691
Vote 15 - OTHER		790	8,725	–	–	515	515	–	–	–
Total Expenditure by Vote	2	**76,150**	**83,346**	**87,002**	**81,768**	**166,787**	**166,787**	**90,066**	**93,025**	**100,319**
Surplus/(Deficit) for the year	2	**112,171**	**41,773**	**19,270**	**14,172**	**17,068**	**17,068**	**17,922**	**10,642**	**10,900**

Explanatory notes to Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is the view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of vote.

Table 12 MBRR Table A4- Budgeted Financial Performance (revenue and expenditure)

EC109 Kou-Kamma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	6,975	7,943	11,156	11,279	13,581	13,581	–	14,396	15,259	16,175
Property rates - penalties & collection charges					550	577	577				
Service charges - electricity revenue	2	14,506	14,555	15,962	1,887	1,887	1,887	–	2,038	2,160	2,290
Service charges - water revenue	2	–	–	–	7,395	7,395	7,395	–	7,838	8,309	8,807
Service charges - sanitation revenue	2	–	–	–	7,151	7,151	7,151	–	7,580	8,035	8,517
Service charges - refuse revenue	2	–	–	–	3,256	3,256	3,256	–	3,452	3,659	3,878
Service charges - other											
Rental of facilities and equipment		204	157	85	102	102	102		108	115	121
Interest earned - external investments		3,989	2,015	955	1,188	2,888	2,888		705	747	792
Interest earned - outstanding debtors									500	530	562
Dividends received											
Fines		420	287	194	2,752	380	380		4,000	4,240	4,494
Licences and permits		–	1	0	151	1	1		161	170	181
Agency services		981	1,465	1,428	3,735	2,193	2,193		4,000	4,240	4,494
Transfers recognised - operational		155,125	35,713	55,537	34,001	122,322	122,322		36,789	37,659	41,530
Other revenue	2	1,350	6,303	1,608	4,632	5,248	5,248	–	4,559	3,772	3,999
Gains on disposal of PPE				245							
Total Revenue (excluding capital transfers and contributions)		183,551	68,440	87,171	78,078	166,980	166,980	–	86,125	88,895	95,840
Expenditure By Type											
Employee related costs	2	21,501	20,806	26,994	33,484	31,689	31,689	–	36,232	37,919	40,180
Remuneration of councillors		1,720	2,042	2,289	2,497	2,575	2,575		2,769	2,935	3,111
Debt impairment	3	19,189	13,567	(9,441)	3,448	3,448	3,448		2,580	2,735	2,899
Depreciation & asset impairment	2	3,919	10,150	11,272	3,740	3,740	3,740	–	3,964	4,202	4,454
Finance charges		79	158	705	160	160	160		150	159	169
Bulk purchases	2	1,517	1,744	2,022	3,362	3,445	3,445	–	4,256	4,512	4,782
Other materials	8	–	838	1,087		524	524				
Contracted services		2,557	1,538	1,864	2,998	3,338	3,338	–	3,539	3,751	3,977
Transfers and grants		16,494	24,919	38,278	13,348	98,431	98,431	–	15,683	15,368	16,244
Other expenditure	4, 5	9,173	7,586	11,932	18,731	19,436	19,436	–	20,892	21,444	24,503
Loss on disposal of PPE											
Total Expenditure		76,150	83,346	87,002	81,768	166,787	166,787	–	90,066	93,025	100,319
Surplus/(Deficit)		107,400	(14,906)	170	(3,690)	193	193	–	(3,942)	(4,130)	(4,479)
Transfers recognised - capital		4,770	56,680	19,100	17,862	16,875	16,875		21,864	14,772	15,379
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		112,171	41,773	19,270	14,172	17,068	17,068	–	17,922	10,642	10,900
Taxation											
Surplus/(Deficit) after taxation		112,171	41,773	19,270	14,172	17,068	17,068	–	17,922	10,642	10,900
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		112,171	41,773	19,270	14,172	17,068	17,068	–	17,922	10,642	10,900
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		112,171	41,773	19,270	14,172	17,068	17,068	–	17,922	10,642	10,900

Explanatory notes to A4- Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R86 125 million in 2013/14 and escalates to R88 895 million by 2014/15.

2. Revenue to be generated from property rates is R14 396 million in the 2013/14 financial year and increases to R15 259 million by 2015/16 which represents 17 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.

3. Services charges relating to electricity refuse removal and sanitation constitutes the biggest components of revenue basket of the Municipality totalling R21 million for the 2013/14 financial year and increasing to R22163 million by 2015/16.

4. Transfers recognised- operating includes the local government equitable share and other operating grants from National and Provincial Government. It needs to be noted that in real terms the Grants from National Government are growing rapidly over the MTREF.

5. Bulk purchases have significantly increased over the 2009/10 to 2015/16.These increases can be attributed to the substantial increase in the cost of the bulk electricity from Eskom.

6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 13 MMRR Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

EC109 Kou-Kamma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2016/16
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - EXECUTIVE & COUNCIL		533	990	300	–	73	73	–	137	39	41
Vote 2 - FINANCE & ADMINISTRATION		659	–	146	50	86	86	–	150	161	56
Vote 3 - PLANNING & DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 4 - HEALTH		–	–	–	–	–	–	–	4	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES		–	–	37	987	1,628	1,628	–	10	11	11
Vote 6 - HOUSING		4,770	–	–	–	–	–	–	–	–	–
Vote 7 - PUBLIC SAFETY		–	–	35	–	–	–	–	5,236	250	265
Vote 8 - SPORT& RECREATION		–	–	24	–	125	125	–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION		–	–	–	–	–	–	–	–	–	–
Vote 10 - WASTE MANAGEMENT		–	–	–	–	227	227	–	30	32	34
Vote 11 - WASTE WATER MANAGEMENT		1,016	–	2,664	–	377	377	–	–	–	–
Vote 12 - ROAD TRANSPORT		107,646	23,937	202	11,040	603	603	–	200	212	225
Vote 13 - WATER		–	–	13,011	5,835	17,688	17,688	–	16,121	14,139	14,722
Vote 14 - ELECTRICITY		–	–	61	–	–	–	–	–	–	–
Vote 15 - OTHER		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	114,624	24,927	16,481	17,912	20,806	20,806	–	21,887	14,844	15,354
Single-year expenditure *to be appropriated*	2										
Vote 1 - EXECUTIVE & COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 2 - FINANCE & ADMINISTRATION		–	–	–	–	–	–	–	–	–	–
Vote 3 - PLANNING & DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 4 - HEALTH		–	–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 6 - HOUSING		–	–	–	–	–	–	–	–	–	–
Vote 7 - PUBLIC SAFETY		–	–	–	–	–	–	–	–	–	–
Vote 8 - SPORT& RECREATION		–	–	–	–	–	–	–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION		–	–	–	–	–	–	–	–	–	–
Vote 10 - WASTE MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 11 - WASTE WATER MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 12 - ROAD TRANSPORT		–	–	–	–	–	–	–	–	–	–
Vote 13 - WATER		–	–	–	–	–	–	–	–	–	–
Vote 14 - ELECTRICITY		–	–	–	–	–	–	–	–	–	–
Vote 15 - OTHER		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote		114,624	24,927	16,481	17,912	20,806	20,806	–	21,887	14,844	15,354
Capital Expenditure - Standard											
Governance and administration		1,191	990	446	50	159	159	–	287	200	97
Executive and council			990			50	50		27	28	30
Budget and treasury office		659		146	50	86	86		130	32	34
Corporate services		533		300		23	23		130	140	34
Community and public safety		4,770	–	97	987	1,753	1,753	–	5,246	260	276
Community and social services				37	987	1,628	1,628		10	11	11
Sport and recreation				24		125	125				
Public safety				35					5,236	250	265
Housing		4,770									
Health											
Economic and environmental services		107,646	23,937	202	11,040	603	603	–	204	212	226
Planning and development											
Road transport		107,646	23,937	202	11,040	603	603		200	212	225
Environmental protection									4		
Trading services		1,016	–	15,737	5,835	18,291	18,291	–	16,151	14,171	14,756
Electricity				61							
Water				13,011	5,835	17,688	17,688		16,021	14,033	14,610
Waste water management		1,016		2,664		377	377		100	106	112
Waste management						227	227		30	32	34
Other											
Total Capital Expenditure - Standard	3	114,624	24,927	16,481	17,912	20,806	20,806	–	21,887	14,844	15,354
Funded by:											
National Government		113,432	24,927	16,146	16,875	16,875	16,875		16,021	14,033	14,610
Provincial Government									5,000		
District Municipality				21	987						
Other transfers and grants											
Transfers recognised - capital	4	113,432	24,927	16,167	17,862	16,875	16,875	–	21,021	14,033	14,610
Public contributions & donations	5	1,191									
Borrowing	6										
Internally generated funds				314	50	3,931	3,931		866	810	744
Total Capital Funding	7	114,624	24,927	16,481	17,912	20,806	20,806	–	21,887	14,844	15,354

Explanatory notes to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from National and Provincial Departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multiyear appropriations have been budgeted for.

3. Single-year capital expenditure has been appropriated at R21 887, for the 2013/14 financial year and remains relatively constant over the MTREF at levels of R14 844 million and R15 354 million respectively for the two outer years.

4. Unlike multi- year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment.

5. The Capital Programme is funded from Capital and Provincial Grants and Transfers. From 2013/14, Capital Transfers totals R21 864 million.

Table 14 MBRR Table A6- Budgeted Financial Position

EC109 Kou-Kamma - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		7,018	9,350	4,110	452	452	452		115	524	556
Call investment deposits	1	680	6,630	1,155	23,000	23,000	23,000	–	20,000	16,000	16,960
Consumer debtors	1	1,376	4,286	12,681	4,786	4,786	4,786	–	9,144	13,818	14,647
Other debtors		2,148	847	19,405	–	–	–				
Current portion of long-term receivables		13	713		–	–	–				
Inventory	2			37	–	–	–				
Total current assets		11,236	21,826	37,388	28,238	28,238	28,238	–	29,259	30,343	32,163
Non current assets											
Long-term receivables					–	–	–				
Investments					–	–	–				
Investment property		39	25,468	25,439	29	29	29		29	29	31
Investment in Associate					–	–	–				
Property, plant and equipment	3	185,632	212,823	218,042	228,437	228,437	228,437	–	242,789	257,976	273,454
Agricultural					–	–	–				
Biological					–	–	–				
Intangible		559	493	391	524	524	524		524	524	555
Other non-current assets					–	2,896	2,896				1,392
Total non current assets		186,230	238,763	243,872	228,990	231,887	231,887	–	243,342	258,529	275,432
TOTAL ASSETS		197,465	260,609	281,260	257,228	260,125	260,125	–	272,601	288,871	307,595
LIABILITIES											
Current liabilities											
Bank overdraft	1				–	–	–				
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		105	105	104	114	114	114		123	134	142
Trade and other payables	4	48,183	13,403	14,244	62,010	62,010	62,010	–	63,022	64,094	67,940
Provisions		92	92	133	92	92	92		92	92	98
Total current liabilities		48,380	13,600	14,481	62,216	62,216	62,216	–	63,237	64,320	68,180
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		1,073	2,073	2,573	1,224	1,224	1,224	–	1,224	1,224	1,298
Total non current liabilities		1,073	2,073	2,573	1,224	1,224	1,224	–	1,224	1,224	1,298
TOTAL LIABILITIES		49,453	15,673	17,053	63,440	63,440	63,440	–	64,461	65,544	69,477
NET ASSETS	5	146,013	244,936	264,206	193,788	196,685	196,685	–	208,140	223,327	238,118
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		148,013	244,936	264,206	206,924	209,820	209,820		221,940	237,915	253,582
Reserves	4	–	–	–	(13,135)	(13,135)	(13,135)	–	(13,800)	(14,588)	(15,464)
Minorities' interests					(0)	(0)	(0)				
TOTAL COMMUNITY WEALTH/EQUITY	5	148,013	244,936	264,206	193,788	196,685	196,685	–	208,140	223,327	238,118

Explanatory notes to Table A6- Budgeted Financial Position

- Table A6 is consistent with International Standards of good financial management practice, and improves understandability for Councillors and management of the impact of the budget on the Statement of Financial Position (Balance Sheet).
- This format of presenting the Statement of Financial Position is aligned to GRAP 1, which is generally aligned to the International version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

- Table 14 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

    - Call investments deposits;
    - Consumer debtors;
    - Property, Plant and Equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves

- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the Community.

- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7- Budgeted Cash Flow Statement

EC109 Kou-Kamma - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		180,567	42,705	28,164	39,651	39,651	39,651		42,682	45,377	48,100
Government - operating	1		17,356	52,551	32,766	32,766	32,766		35,274	38,222	40,515
Government - capital	1		49,492	18,834	16,875	16,875	16,875		17,801	18,830	19,960
Interest		3,989	2,015	955	1,188	1,188	1,188		1,271	1,348	1,428
Dividends											
Payments											
Suppliers and employees		(69,905)	(78,202)	(94,033)	(62,813)	(62,813)	(62,813)		(67,680)	(72,707)	(77,069)
Finance charges		(79)	(158)	(705)	(160)	(160)	(160)		(172)	(182)	(193)
Transfers and Grants	1				(10,631)	(10,631)	(10,631)		(11,375)	(12,057)	(12,781)
NET CASH FROM/(USED) OPERATING ACTIVITIES		114,572	33,209	5,766	16,875	16,875	16,875	-	17,801	18,830	19,960
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(114,624)	(24,927)	(16,481)	(16,875)	(16,875)	(16,875)		(17,801)	(18,830)	(19,960)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(114,624)	(24,927)	(16,481)	(16,875)	(16,875)	(16,875)	-	(17,801)	(18,830)	(19,960)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(2,000)									
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,000)	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(2,052)	8,281	(10,715)	(0)	(0)	(0)	–	(0)	(0)	(0)
Cash/cash equivalents at the year begin:	2	9,751	7,699	15,980	5,265	5,265	5,265	5,265	5,265	5,265	5,265
Cash/cash equivalents at the year end:	2	7,699	15,980	5,265	5,265	5,265	5,265	5,265	5,265	5,265	5,265

Explanatory notes to Table A7- Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows be expected level of cash inflow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8- Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42- Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicative of non-compliance with MFMA requirements that the municipality's budget must be 'funded"
4. Non-compliance with Section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of Section 18 of the MFMA, it can be concluded that the proposed 2013/14 MTREF was sufficiently funded owing to the increased reserves.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget was funded and aligned to section 18 of the MFMA.

EC109 Kou-Kamma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	7,699	15,980	5,265	(0)	(0)	(0)	–	(0)	(0)	(0)
Other current investments > 90 days		(0)	(0)	(0)	23,452	23,452	23,452	–	20,115	16,524	17,516
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		7,699	15,980	5,265	23,452	23,452	23,452	–	20,115	16,524	17,516
Application of cash and investments											
Unspent conditional transfers		26,674	4,515	3,516	45,146	45,146	45,146	–	45,146	45,146	47,854
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(5,045)	(823)	(22,378)	9,547	9,428	9,428	–	6,785	3,280	3,477
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		21,630	3,692	(18,862)	54,693	54,574	64,574	–	61,930	48,426	61,331
Surplus(shortfall)		(13,931)	12,288	24,127	(31,241)	(31,122)	(31,122)	–	(31,815)	(31,901)	(33,815)

Table 16B MBRR Table A9- Consolidated Asset Management

EC109 Kou-Kamma - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
Total New Assets	1	**5,962**	**990**	**446**	**1,037**	**3,931**	**3,931**	**6,909**	**176**	**186**
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		4,770	–	–	–	–	–	5,553	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	1,191	990	446	1,037	3,931	3,931	1,356	176	186
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	**108,662**	**23,937**	**16,035**	**16,875**	**16,875**	**16,875**	**16,521**	**14,563**	**15,172**
Infrastructure - Road transport		107,646	23,937	202	–	–	–	500	530	562
Infrastructure - Electricity		–	–	61	–	–	–	–	–	–
Infrastructure - Water		–	–	13,011	16,875	16,875	16,875	16,021	14,033	14,610
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		1,016	–	2,664	–	–	–	–	–	–
Infrastructure		*108,662*	*23,937*	*15,938*	*16,875*	*16,875*	*16,875*	*16,521*	*14,563*	*15,172*
Community		–	–	97	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		107,646	23,937	202	–	–	–	500	530	562
Infrastructure - Electricity		–	–	61	–	–	–	–	–	–
Infrastructure - Water		–	–	13,011	16,875	16,875	16,875	16,021	14,033	14,610
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		1,016	–	2,664	–	–	–	–	–	–
Infrastructure		*108,662*	*23,937*	*15,938*	*16,875*	*16,875*	*16,875*	*16,521*	*14,563*	*15,172*
Community		4,770	–	97	–	–	–	5,553	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		1,191	990	446	1,037	3,931	3,931	1,356	176	186
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**114,624**	**24,927**	**16,481**	**17,912**	**20,806**	**20,806**	**23,429**	**14,739**	**15,358**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		107,646	23,937	890	1,200	1,200	1,200	109,318	107,538	113,990
Infrastructure - Electricity		–	108,999	750	105,236	105,236	105,236	32,441	50,461	53,489
Infrastructure - Water		76,970	33,041	19,100	16,875	16,875	16,875	45,615	44,875	47,568
Infrastructure - Sanitation		1,016	25,605	110,566	105,127	105,127	105,127	25,091	24,682	26,163
Infrastructure - Other		–	21,242	86,736	–			14,531	14,294	15,152
Infrastructure		*185,632*	*212,823*	*218,042*	*228,437*	*228,437*	*228,437*	*226,996*	*241,851*	*256,362*
Community					–	–	–	8,780	9,130	9,677
Heritage assets										–
Investment properties		39	25,468	25,439	29	29	29	29	29	31
Other assets								7,013	6,995	7,415
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		559	493	391	524	524	524	524	524	555
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	5	**186,230**	**238,783**	**243,872**	**228,990**	**228,990**	**228,990**	**243,342**	**258,529**	**274,040**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		3,919	10,150	11,272	3,740	3,740	3,740	3,964	4,202	4,454
Repairs and Maintenance by Asset Class	3	–	–	–	2,338	2,705	2,705	3,438	3,644	3,862
Infrastructure - Road transport		–	–	–	168	480	480	200	212	225
Infrastructure - Electricity		–	–	–	121	121	121	129	136	145
Infrastructure - Water		–	–	–	259	386	386	409	458	485
Infrastructure - Sanitation		–	–	–	327	229	229	243	257	273
Infrastructure - Other		–	–	–	249	199	199	641	680	721
Infrastructure		–	–	–	*1,125*	*1,415*	*1,415*	*1,621*	*1,743*	*1,848*
Community		–	–	–	940	1,006	1,006	965	842	893
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	–	–	273	284	284	851	1,058	1,122
TOTAL EXPENDITURE OTHER ITEMS		**3,919**	**10,150**	**11,272**	**6,078**	**6,444**	**6,444**	**7,402**	**7,846**	**8,316**

PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the Act.

1.1.1 Budget Process Overview

In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor conducted the IDP consultations in all the wards.

- 25 January 2013 – Council considered the 2012/13 Mid-year Review
- 27 March 2013 – Tabling in Council of the Draft 2013/IDP and 2013/MTREF for public consultation;.
- 26 April 2013- Closing date for written comments;
- 28 May 2013 – Tabling of the 2013/14 MTREF before Council for consideration and approval.

1.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle had the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- Review of the performance management and monitoring processes.

The IDP has been taken into business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets

after reviewing the mid-year performance against the 2011/12 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating appropriations and three-year capital programme.

1.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustment budget and performance against the SDBIP.
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 58, 59, 66 and 67 has been taken into consideration in planning and prioritisation process.

1.1. Community Consultation

The draft 2013/14 MTREF was tabled before Council on the 27th of March 2013. Thereafter, the draft budget was made available on the municipal website, municipal offices and libraries in order to invite the public to submit their comments on the proposed budget. Community meetings were held to obtain comments from the public.

1.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long term development goals A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates

with the term of the political incumbents. The plan aligns the resources and the resources and the Municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide Vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim at to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of National and Provincial importance should be reflected in the IDP of the Municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of National and Provincial importance. One of the key objectives is therefore to ensure that there exists alignment between National and Provincial priorities, policies and strategies and the Municipality's response to these requirements.

The National and Provincial priorities, policies and strategies of importance include inter alia

- Green Paper on National Strategic Planning of 2009
- Government Programme of Action
- Development Facilitation Act of 1995
- Provincial Growth and Development Strategy (PGDS)
- National and Provincial Spatial Development Perspectives
- Relevant Sector plans such as transportation, legislation and policy.
- National Key Performance Indicators
- Accelerated and Shared Growth Initiative (ASGISA)
- National 2014 Vision
- National Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but also conduct its affairs in a manner which is consistent with its IDP.

Table 19 IDP Strategic Objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of National and Provincial government. All sphere of government place high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance area to achieve the strategic objectives.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process

Table 20 MBRR Table SA4- Reconciliation between the IDP strategic objectives and budgeted revenue

EC109 Kou-Kamma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Municipal Transformation and Institutional Development		I1		21,545	11,039	2,945	20,880	19,880	19,880	21,953	23,708	26,833
Basic Service Delivery and Infrastructure Investment		I2		117,335	60,120	72,948	52,642	136,055	136,055		54,110	57,077
Financial Viability, Management and Sustainability		I3		45,214	51,795	27,161	21,019	26,255	26,255	23,805	23,811	25,195
Local Economic Development		I4		1,096	562	1,257	–	56	56	60,475	–	–
Good Governance and Public Participation		I5		3,130	1,604	1,960	1,400	1,610	1,610	1,756	2,037	2,114
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	188,321	125,119	106,272	95,940	183,855	183,855	107,988	103,666	111,219

Table 21 MBRR Table SA5- Reconciliation between the IDP strategic objectives and budgeted operating expenditure

EC109 Kou-Kamma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Municipal Transformation and Institutional Development		I1		2,253	1,852	4,157	4,492	5,109	5,109	5,503	5,833	6,183
Basic Service Delivery and Infrastructure Investment		I2		57,223	53,579	120,043	45,103	131,027	131,027	51,173	53,028	56,196
Financial Viability, Management and Sustainability		I3		14,176	23,834	(41,932)	27,183	26,535	26,535	28,837	29,338	32,823
Local Economic Development		I4		–	273	108	243	601	601	637	675	715
Good Governance and Public Participation		I5		2,498	3,808	4,625	4,747	3,514	3,514	3,916	4,151	4,401
Allocations to other priorities												
Total Expenditure			1	76,150	83,346	87,001	81,768	166,786	166,786	90,066	93,026	100,318

Table 22 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure

EC109 Kou-Kamma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Municipal Transformation and Institutional Development		I1		533	–	246	50	73	73	177	–	–
Basic Service Delivery and Infrastructure Investment		I2		113,432	23,937	16,035	16,875	20,647	20,647	21,479	14,843	15,354
Financial Viability, Management and Sustainability		I3		659	–	146	987	86	86	230	–	–
Local Economic Development		I4		–	–	–	–	–	–	–	–	–
Good Governance and Public Participation		I5		–	990	54	–	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	114,624	24,927	16,481	17,912	20,806	20,806	21,886	14,843	15,354

1.3 Measurable performance objectives and Indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which is constantly refined as the integrated planning process unfolds The Municipality targets monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance

At any given time within government, information from multiple year is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

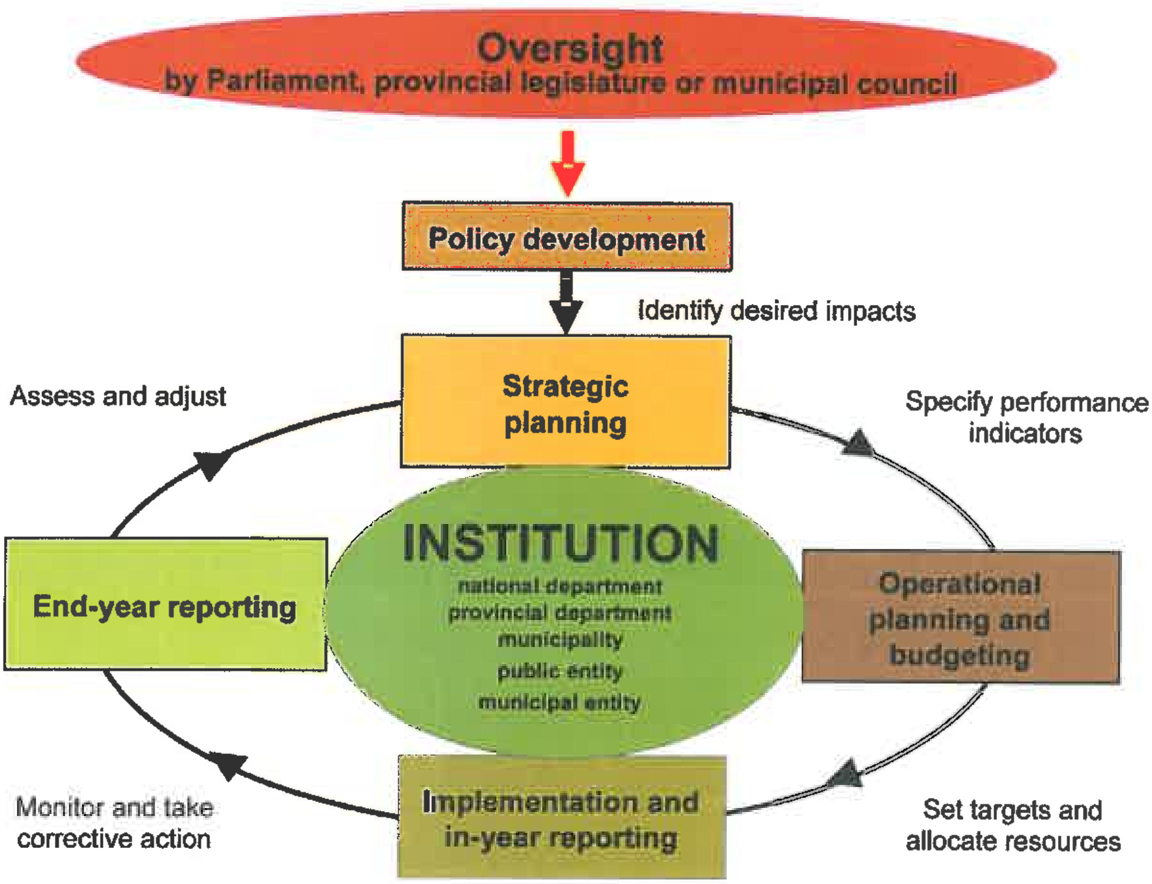


Figure: Planning, budgeting and reporting

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks)
- Monitoring (regular monitoring and checking on the progress against plan)
- Measurement (indicators of success)
- Review (identifying areas requiring change and improvement)
- Reporting(what information, to whom, from whom, how often and for what purpose);and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

Table 23 MBRR Table SA8 – Performance indicators and benchmarks

EC109 Kou-Kamma - Supporting Table SA8 Performance Indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.7%	0.2%	0.8%	0.2%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.3%	0.5%	2.2%	0.4%	0.4%	0.4%	0.0%	0.3%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.2	1.6	2.6	0.5	0.5	0.5	–	0.5	0.5	0.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.2	1.6	2.6	0.5	0.5	0.5	–	0.5	0.5	0.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	1.2	0.4	0.4	0.4	0.4	–	0.3	0.3	0.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		738.9%	139.1%	92.5%	92.4%	94.9%	94.9%	0.0%	87.8%	89.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			738.9%	139.1%	92.5%	92.4%	94.9%	94.9%	0.0%	87.8%	89.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	1.9%	8.5%	36.8%	6.1%	2.9%	2.9%	0.0%	10.6%	15.5%	15.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within'MFMA' s 65(e))										
Creditors to Cash and Investments		272.7%	39.5%	138.9%	265.4%	265.4%	265.4%	0.0%	281.3%	298.2%	316.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	11.7%	30.4%	31.0%	42.9%	19.0%	19.0%	0.0%	42.1%	42.7%	41.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	6.3%	33.7%	31.7%	47.3%	20.5%	20.5%		45.3%	46.0%	45.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	3.0%	1.6%	1.6%		2.1%	1.8%	3.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.2%	15.1%	13.7%	5.0%	2.3%	2.3%	0.0%	4.8%	4.9%	4.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.1	34.3	26.6	37.1	37.1	37.1	–	36.6	35.9	38.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.3%	25.8%	117.9%	15.1%	14.1%	14.1%	0.0%	25.8%	36.8%	36.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.4	2.8	0.9	0.9	0.4	0.4	–	0.9	0.8	0.8

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

Calculation data										
Debtors > 90 days										
Monthly fixed operational expenditure	5,394	5,679	5,660	5,586	12,589	12,589	–	6,131	6,330	6,764
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex	–	–	314	50	3,931	3,931	–	[illegible]	810	744
Borrowing	–	–	–	–	–	–	–	–	–	–

1.4 Overview of budget related- policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council has been reviewed. While adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 90 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

1.4.2 Review of Property Rates Policy and Bylaws

The Property Rates Policy as approved by Council has been reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review to certain components like the rating of farm land to achieve a higher collection rate. By-laws have been formulated and are to be promulgated in the Provincial Government as required by Section 14 of the Property Rates Act , 2004 (Act 6 of 2004). Public hearings for the bylaws were held in all the wards.

1.5 Overview of budget assumptions

1.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.5.2 General Inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTERF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses.
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

1.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over a long term. It is assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is still low. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.5.4 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household charge rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is greater municipal service factor than servicing individuals. Household formation rates are assumed to household dwellings. In addition the change in the number of poor households influence the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.5.5 Salary increases

Salary increase were budgeted at 7%

1.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, Provincial and National strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating Jobs
- Enhancing education and skill development
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of National, Provincial and local objectives.

1.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on Operating expenditure and 98 per cent on the Capital Programme for the 2013/14 of which performance has been factored into the cash flow budget.

1.6 Overview of budget funding

1.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 248 Breakdown of operating revenue over the medium-term

DESCRIPTION	2013/14 Medium Term Revenue and Expenditure Framework		
R thousands	Budget year 201314	Budget year +1 2014/15	Budget year +2 2015/16
Revenue by source			
Property rates	14 396	15 259	16 175
Property – penalties & collection charges			
Service charges – electricity revenue	2 038	2 160	2 290
Service charge – refuse revenue	3 452	3 659	3 878
Rental of facilities and equipment	108	114	121
Interest earned external investment	705	747	792
Interest earned – Outstanding debtors	500	530	562
Sewerage and Water Tariffs	15 418	16 343	17 324
Fines	4 000	4 240	4 494
Licences and permits	161	170	181
Transfer recognised – Operational	36 789	37 659	41 530
Other revenue	8 558	8 012	8 493
Total Revenue (excluding capital transfers and contribution)	86 125	88 893	95 840

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its Operational Revenue from the provision of goods and services such as property rates, electricity, sanitation as well as refuse, operating and capital grants from organs of state and other minor charges(such as building plans, licences and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the Municipality and Development;
- Revenue management and enhancement;
- Achievement of 95 per cent annual collection rate for consumer revenue;
- National treasure guideline;
- Electricity tariff increase within the national electricity regulator of the South Africa (NERSA)N approval;
- Achievement of the full cost recovery of specific users charges;
- Determining tarri escalating rate by establishing/ calculating requirement;
- The property Rates Policy in term of the Municipality property Rates Act 2004 (Act,2004) (MPRA), and
- And the Ability to extend new services and obtain cost recovery level

Description	Percentage
Electricity	**8 %**
Sanitation	**6%**
Others	**6%**

1.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step if determining if the budget is funded over the medium term> the Table below is consisting with international standards of good financial management practise and also improve understandably for councillors and management some specific features include:

- Clear separation of Receipts and Payment within cash flow
- Clear separation of capital and operating receipts from government, which is also enables cash from ratepayers and other to be provided for as cash inflow based on actual performance in other words the actual collection rate of billed revenue..
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 26 MBRR Table A7 – Budget cash flow statement

EC109 Kou-Kamma - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		180,567	42,705	28,164	39,651	39,651	39,651		42,682	45,377	48,100
Government - operating	1		17,356	52,551	32,766	32,766	32,766		35,274	38,222	40,515
Government - capital	1		49,492	18,834	16,875	16,875	16,875		17,801	18,830	19,960
Interest		3,989	2,015	955	1,188	1,188	1,188		1,271	1,348	1,428
Dividends											
Payments											
Suppliers and employees		(69,905)	(78,202)	(94,033)	(62,813)	(62,813)	(62,813)		(67,680)	(72,707)	(77,069)
Finance charges		(79)	(158)	(705)	(160)	(160)	(160)		(172)	(182)	(193)
Transfers and Grants	1				(10,631)	(10,631)	(10,631)		(11,375)	(12,057)	(12,781)
NET CASH FROM/(USED) OPERATING ACTIVITIES		114,572	33,209	5,766	16,875	16,875	16,875	–	17,801	18,830	19,960
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(114,624)	(24,927)	(16,481)	(16,875)	(16,875)	(16,875)		(17,801)	(18,830)	(19,960)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(114,624)	(24,927)	(16,481)	(16,875)	(16,875)	(16,875)	–	(17,801)	(18,830)	(19,960)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(2,000)									
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,000)	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(2,052)	8,281	(10,715)	(0)	(0)	(0)	–	(0)	(0)	(0)
Cash/cash equivalents at the year begin:	2	9,751	7,699	15,980	5,265	5,265	5,265	5,265	5,265	5,265	5,265
Cash/cash equivalents at the year end:	2	7,699	15,980	5,265	5,265	5,265	5,265	5,265	5,265	5,265	5,265

1.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with Sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with Section 18 of the MFMA requirement that the municipality's budget must be 'funded'. It is also important to analyse trends to understand the consequences e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 27 MBRR Table A8-Cash backed reserves/accumulated surplus reconciliation

EC109 Kou-Kamma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	7,699	15,980	5,265	5,265	5,265	5,265	5,265	5,265	5,265	5,265
Other current investments > 90 days		(0)	(0)	(0)	18,186	18,186	18,186	(5,265)	14,850	11,259	12,251
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		7,699	15,980	5,265	23,452	23,452	23,452	–	20,115	16,524	17,516
Application of cash and investments											
Unspent conditional transfers		26,674	4,515	3,516	45,146	45,146	45,146	–	45,146	45,146	47,854
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(5,045)	(823)	(22,378)	9,547	9,428	9,428	–	6,785	3,280	3,477
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		21,630	3,692	(18,862)	54,693	54,574	54,574	–	51,930	48,426	51,331
Surplus(shortfall)		(13,931)	12,288	24,127	(31,241)	(31,122)	(31,122)	–	(31,815)	(31,901)	(33,815)

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves

1.6.4 Funding Compliance measurement

National Treasury requires that the municipality assesses its financial sustainability against fourteen different measures that look at various aspects of the financial health of that municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of finance performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below

Table 28 MBRR Table SA10 – Funding compliance measurement

EC109 Kou-Kamma Supporting Table SA10 Funding measurement

Total Operating Revenue			183,551	68,440	87,171	78,078	166,980	166,980	–	86,125	88,895	95,840
Total Operating Expenditure			76,150	83,346	87,002	81,768	166,787	166,787	–	90,066	93,025	100,319
Operating Performance Surplus/(Deficit)			107,400	(14,906)	170	(3,690)	193	193	–	(3,942)	(4,130)	(4,479)
Cash and Cash Equivalents (30 June 2012)										5,265		
Revenue												
% Increase in Total Operating Revenue				(62.7%)	27.4%	(10.4%)	113.9%	0.0%	(100.0%)	(48.4%)	3.2%	7.8%
% Increase in Property Rates Revenue				13.9%	40.4%	1.1%	20.4%	0.0%	(100.0%)	6.0%	6.0%	6.0%
% Increase in Electricity Revenue				0.3%	9.7%	(88.2%)	0.0%	0.0%	(100.0%)	8.0%	6.0%	6.0%
% Increase in Property Rates & Services Charges				4.7%	20.5%	16.2%	7.4%	0.0%	(100.0%)	4.3%	6.0%	6.0%
Expenditure												
% Increase in Total Operating Expenditure				9.4%	4.4%	(6.0%)	104.0%	0.0%	(100.0%)	(46.0%)	3.3%	7.8%
% Increase in Employee Costs				(3.2%)	29.7%	24.0%	(5.4%)	0.0%	(100.0%)	14.3%	4.7%	6.0%
% Increase in Electricity Bulk Purchases				14.9%	16.0%	65.5%	0.0%	0.0%	(100.0%)	26.3%	6.0%	6.0%
Average Cost Per Budgeted Employee Position (Remuneration)					157862	195813.0351				196912.7609		
Average Cost Per Councillor (Remuneration)					208108	226999.0909				251702.9091		
R&M % of PPE			0.0%	0.0%	0.0%	1.0%	1.2%	1.2%		0.8%	0.6%	1.1%
Asset Renewal and R&M as a % of PPE			58.0%	10.0%	7.0%	8.0%	9.0%	9.0%		7.0%	6.0%	7.0%
Debt Impairment % of Total Billable Revenue			88.5%	59.9%	(34.7%)	10.9%	10.2%	10.2%	0.0%	7.3%	7.3%	7.3%
Capital Revenue												
Internally Funded & Other (R'000)			1,191	–	314	50	3,931	3,931	–	866	810	744
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			113,432	24,927	16,167	17,862	16,875	16,875	–	21,021	14,033	14,610
Internally Generated funds % of Non Grant Funding			100.0%	0.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			99.0%	100.0%	98.1%	99.7%	81.1%	81.1%	0.0%	96.0%	94.5%	95.2%
Capital Expenditure												
Total Capital Programme (R'000)			114,624	24,927	16,481	17,912	20,806	20,806	–	21,887	14,844	15,354
Asset Renewal			108,662	23,937	16,035	16,875	16,875	16,875	16,875	16,321	14,351	14,947
Asset Renewal % of Total Capital Expenditure			94.8%	96.0%	97.3%	94.2%	81.1%	81.1%	0.0%	74.6%	96.7%	97.3%
Cash												
Cash Receipts % of Rate Payer & Other			738.9%	139.1%	92.5%	92.4%	94.9%	94.9%	0.0%	87.8%	89.9%	89.9%
Cash Coverage Ratio			0	0	0	0	0	0	–	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			2.7%	0.2%	0.8%	0.2%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			(13,931)	12,288	24,127	(31,241)	(31,122)	(31,122)	–	(31,815)	(31,901)	(33,815)
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			183,551	68,440	87,171	78,078	166,980	166,980	–	86,125	88,895	95,840
Total Operating Expenditure			76,150	83,346	87,002	81,768	166,787	166,787	–	90,066	93,025	100,319
Surplus/(Deficit) Budgeted Operating Statement			107,400	(14,906)	170	(3,690)	193	193	–	(3,942)	(4,130)	(4,479)
Surplus/(Deficit) Considering Reserves and Cash Backing			93,469	(2,618)	24,297	(34,931)	(30,929)	(30,929)	–	(35,756)	(36,032)	(38,294)
MTREF Funded (1) / Unfunded (0)		15	1	0	1	0	0	0	1	0	0	0
MTREF Funded ✓ / Unfunded ✗		15	✓	✗	✓	✗	✗	✗	✓	✗	✗	✗

1.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

1.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash back reserves/surplus is contained in Table 16. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been exclusively discussed above.

1.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

1.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.6.4.7 Debt impairment expense as percentage of billable

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenue).

1.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

1.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

1.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from National and Provincial Government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

1.6.4.11 Consumer debtors change(Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

1.6.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

1.6.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

1.7 Expenditure on grants and reconciliation of unspent funds

Table 29 Expenditure on grant transfers and grant programmes

Capital Grants		**2013/2014**	**2014/2015**	**2015/2016**
MIG - Municipal Infrastructure Grant	National Treasury	16,864,000	14,772,000	15,379,000
Public Works - Fire Services	Public Works	5,000,000		
Total Capital Grants		R 21,864,000	R 14,772,000	R 15,379,000
Operational Grants				
Equitable Share	National Treasury	29,628,000	31,844,000	35,457,000
Councillors Remuneration	National Treasury	1,756,000	2,037,000	2,114,000
FMG	National Treasury	1,650,000	1,800,000	1,950,000
MSIG	COGTA National	890,000	934,000	967,000
LED	DPLG	117,000	112,000	110,000
Expanded Public Works	National Treasury	1,000,000		
Environmental Health	Cacadu	816,000		
Library Subsidies	Department of Sports	932,000	932,000	932,000
Total Operating Grants		R 41,789,000	R 37,659,000	R 41,530,000

2.8 Councillor and Employee Benefits

Table 30 MBRR Table SA22 – Summary of councillor and staff benefits

	REF	Audited	Audited	Audited	Current Year 2013/14				2013/14 Medium Term Revenue & Expenditure Framework		
Description		**2009/10**	**2010/11**	**2011/12**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Pre - audit outcome**	**Budget year 2013/14**	**Budget year +1 2014/15**	**Budget year +2 2015/16**
R Thousands											
Councillor (political office Bearers plus other)		1 715	2 042	2 082	2 497	2 575	2 575		2 769	2 935	3 111
Basic salaries and wages		4 968	13 579	17 998	23 580	22 921	22 921		27 610	28 814	30 528
Pension and UIF contributions		379	1 692	2 344	3 178	3 039	3 039		3 967	3 918	4 153
Medical aid contributions		464	711	1008	1 859	1 297	1 297		1 657	1 756	1 862
Motor Vehicle allowance		2 027	2 186	1 279	832	1 878	1 878		2 304	2 443	2 589
Cell phone allowance		73	47	69		84	84		89	94	99
Housing Allowances		800	678	91	218	144	144		191	203	215
Other benefits and allowance		1 137	2 130	2 745	4 798	2 326	2 326		414	691	734
Total Personnel Salaries		9 848	21 023	25 534	34 465	31 689	31 689		36 232	37 919	40 180
% increase											

Part 2

2.9 Monthly targets for revenue, expenditure and cash flow

EC109 Kou-Kamma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source																
Property rates													14,396	14,396	15,259	16,175
Property rates - penalties & collection charges													–	–	–	–
Service charges - electricity revenue													2,038	2,038	2,160	2,290
Service charges - water revenue													7,838	7,838	8,309	8,807
Service charges - sanitation revenue													7,580	7,580	8,035	8,517
Service charges - refuse revenue													3,452	3,452	3,659	3,878
Service charges - other													–	–	–	–
Rental of facilities and equipment													108	108	115	121
Interest earned - external investments													705	705	747	792
Interest earned - outstanding debtors													500	500	530	562
Dividends received													–	–	–	–
Fines													4,000	4,000	4,240	4,494
Licences and permits													161	161	170	181
Agency services													4,000	4,000	4,240	4,494
Transfers recognised - operational													36,789	36,789	37,659	41,530
Other revenue													4,559	4,559	3,772	3,989
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and con		–	–	–	–	–	–	–	–	–	–	–	86,125	86,125	88,895	95,840
Expenditure By Type																
Employee related costs													36,232	36,232	37,919	40,180
Remuneration of councillors													2,769	2,769	2,935	3,111
Debt impairment													2,580	2,580	2,735	2,899
Depreciation & asset impairment													3,964	3,964	4,202	4,454
Finance charges													150	150	159	169
Bulk purchases													4,256	4,256	4,512	4,782
Other materials													–	–	–	–
Contracted services													3,539	3,539	3,751	3,977
Transfers and grants													15,683	15,683	15,368	16,244
Other expenditure													20,892	20,892	21,444	24,503
Loss on disposal of PPE													–	–	–	–
Total Expenditure		–	–	–	–	–	–	–	–	–	–	–	90,066	90,066	93,025	100,319
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–	–	–	(3,942)	(3,942)	(4,130)	(4,479)
Transfers recognised - capital													21,864	21,864	14,772	15,379
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	–	–	–	–	17,922	17,922	10,642	10,900
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	–	–	–	–	–	–	–	–	–	–	–	17,922	17,922	10,642	10,900

Table SA 26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

EC109 Kou-Kamma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote																
Vote 1 - EXECUTIVE & COUNCIL													23,721	23,721	25,758	28,961
Vote 2 - FINANCE & ADMINISTRATION													22,355	22,355	22,704	24,085
Vote 3 - PLANNING & DEVELOPMENT													297	297	302	312
Vote 4 - HEALTH													816	816	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES													2,154	2,154	1,141	1,154
Vote 6 - HOUSING													–	–	–	–
Vote 7 - PUBLIC SAFETY													9,600	9,600	4,876	5,169
Vote 8 - SPORT& RECREATION													–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION													–	–	–	–
Vote 10 - WASTE MANAGEMENT													4,752	4,752	5,037	5,340
Vote 11 - WASTE WATER MANAGEMENT													10,549	10,549	11,182	11,853
Vote 12 - ROAD TRANSPORT													4,843	4,843	4,979	5,263
Vote 13 - WATER													25,764	25,764	24,361	25,558
Vote 14 - ELECTRICITY													3,137	3,137	3,326	3,525
Vote 15 - OTHER													–	–	–	–
Total Revenue by Vote		–	–	–	–	–	–	–	–	–	–	–	107,989	107,989	103,667	111,219
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE & COUNCIL													9,022	9,022	9,563	10,137
Vote 2 - FINANCE & ADMINISTRATION													29,067	29,067	30,511	33,632
Vote 3 - PLANNING & DEVELOPMENT													1,938	1,938	2,042	2,156
Vote 4 - HEALTH													813	813	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES													5,460	5,460	4,672	4,896
Vote 6 - HOUSING													344	344	365	387
Vote 7 - PUBLIC SAFETY													4,181	4,181	4,432	4,698
Vote 8 - SPORT& RECREATION													143	143	151	161
Vote 9 - ENVONMENTAL PROTECTION													–	–	–	–
Vote 10 - WASTE MANAGEMENT													6,749	6,749	7,154	7,583
Vote 11 - WASTE WATER MANAGEMENT													7,848	7,848	8,319	8,818
Vote 12 - ROAD TRANSPORT													5,807	5,807	6,000	6,847
Vote 13 - WATER													11,849	11,849	12,560	13,314
Vote 14 - ELECTRICITY													6,845	6,845	7,256	7,691
Vote 15 - OTHER													–	–	–	–
Total Expenditure by Vote		–	–	–	–	–	–	–	–	–	–	–	90,066	90,066	93,025	100,319
Surplus/(Deficit) before assoc.		–	–	–	–	–	–	–	–	–	–	–	17,922	17,922	10,642	10,900
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	–	–	–	–	–	–	–	–	–	–	–	17,922	17,922	10,642	10,900

Table SA 28 consolidated budgeted monthly capital expenditure (municipal vote)

EC109 Kou-Kamma - Supporting Table SA28 **Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE & COUNCIL													137	137	39	41
Vote 2 - FINANCE & ADMINISTRATION													150	150	161	56
Vote 3 - PLANNING & DEVELOPMENT													–	–	–	–
Vote 4 - HEALTH													4	4	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES													10	10	11	11
Vote 6 - HOUSING													–	–	–	–
Vote 7 - PUBLIC SAFETY													5,236	5,236	250	265
Vote 8 - SPORT& RECREATION													–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION													–	–	–	–
Vote 10 - WASTE MANAGEMENT													30	30	32	34
Vote 11 - WASTE WATER MANAGEMENT													–	–	–	–
Vote 12 - ROAD TRANSPORT													200	200	212	225
Vote 13 - WATER													16,121	16,121	14,139	14,722
Vote 14 - ELECTRICITY													–	–	–	–
Vote 15 - OTHER													–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	21,887	21,887	14,844	15,354
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE & COUNCIL													–	–	–	–
Vote 2 - FINANCE & ADMINISTRATION													–	–	–	–
Vote 3 - PLANNING & DEVELOPMENT													–	–	–	–
Vote 4 - HEALTH													–	–	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES													–	–	–	–
Vote 6 - HOUSING													–	–	–	–
Vote 7 - PUBLIC SAFETY													–	–	–	–
Vote 8 - SPORT& RECREATION													–	–	–	–
Vote 9 - ENVONMENTAL PROTECTION													–	–	–	–
Vote 10 - WASTE MANAGEMENT													–	–	–	–
Vote 11 - WASTE WATER MANAGEMENT													–	–	–	–
Vote 12 - ROAD TRANSPORT													–	–	–	–
Vote 13 - WATER													–	–	–	–
Vote 14 - ELECTRICITY													–	–	–	–
Vote 15 - OTHER													–	–	–	–
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	2	–	–	–	–	–	–	–	–	–	–	–	21,887	21,887	14,844	15,354

2.10 Annual budgets and SDBPs

The service delivery and budget implementation plans have been drafted and are aligned to the IDP, Performance Agreements and Budget. This will be finalized by June 2013.

2.11 Contracts having future budgetary implications

There are no contracts having future budgetary implications,

2.1.2 Legislative compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. in year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis; Section 71 reporting has progressively improved.

2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship Programme and has employed five interns undergoing training in various divisions of the BTO and also CMPD.

3. Budget and Treasury Office
The Budget and Treasury office has been established in accordance with the MFMA.

4. Audit Committee
An Audit Committee has been established and is fully functional.

5. Service Delivery and Budget Implementation Plan
The detailed SDBIP document will be drafted and will be aligned and be informed by the 2013/14 MTREF.

6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

7, Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.1.3 Other Supporting Documentation

Table 38 MBRR Table SA1 – Supporting detail to budgeted financial performance

EC109 Kou-Kamma - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		6,975	7,943	11,156	11,279	13,581	13,581		14,396	15,259	16,175
less Revenue Foregone											
Net Property Rates		6,975	7,943	11,156	11,279	13,581	13,581	–	14,396	15,259	16,175
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		14,506	14,555	15,962	1,887	1,887	1,887		2,038	2,160	2,290
less Revenue Foregone											
Net Service charges - electricity revenue		14,506	14,555	15,962	1,887	1,887	1,887	–	2,038	2,160	2,290
Service charges - water revenue	6										
Total Service charges - water revenue					7,395	7,395	7,395		7,838	8,309	8,807
less Revenue Foregone											
Net Service charges - water revenue		–	–	–	7,395	7,395	7,395	–	7,838	8,309	8,807
Service charges - sanitation revenue											
Total Service charges - sanitation revenue					7,151	7,151	7,151		7,580	8,035	8,517
less Revenue Foregone											
Net Service charges - sanitation revenue		–	–	–	7,151	7,151	7,151	–	7,580	8,035	8,517
Service charges - refuse revenue	6										
Total refuse removal revenue		–	–	–	3,256	3,256	3,256		3,452	3,659	3,878
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		–	–	–	3,256	3,256	3,256	–	3,452	3,659	3,878
Other Revenue by source											
List other revenue by source		1,350	6,303	1,608	4,632	5,248	5,248		4,559	3,772	3,999
	3										
Total 'Other' Revenue	1	1,350	6,303	1,608	4,632	5,248	5,248	–	4,559	3,772	3,999
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	19,803	17,977	23,900	25,444	22,755	22,755		23,818	24,813	26,287
Pension and UIF Contributions					4,602	4,336	4,336		3,717	3,940	4,176
Medical Aid Contributions		14	80	95					1,637	1,735	1,839
Overtime					862	1,094	1,094		1,467	1,555	1,649
Performance Bonus					575	535	535		2,225	2,340	2,481
Motor Vehicle Allowance		80	861	987					2,304	2,443	2,589
Cellphone Allowance		16	19	26					89	94	100
Housing Allowances		1,589	1,869	1,987	1,952	2,919	2,919		191	203	215
Other benefits and allowances									755	766	812
Payments in lieu of leave					17	17	17		19	20	21
Long service awards									10	11	12
Post-retirement benefit obligations	4				31	31	31				
sub-total	5	21,501	20,806	26,994	33,484	31,689	31,689	–	36,232	37,919	40,180
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	21,601	20,806	26,994	33,484	31,689	31,689	–	36,232	37,919	40,180
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		3,919	10,150	11,272	3,740	3,740	3,740		3,964	4,202	4,454
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	3,919	10,150	11,272	3,740	3,740	3,740	–	3,964	4,202	4,454
Bulk purchases											
Electricity Bulk Purchases		1,517	1,744	2,022	3,345	3,345	3,345		4,226	4,479	4,748
Water Bulk Purchases					17	100	100		30	32	34
Total bulk purchases	1	1,517	1,744	2,022	3,362	3,445	3,445	–	4,256	4,512	4,782
Transfers and grants											
Cash transfers and grants		16,494	24,919	38,278	13,348	98,431	98,431	–	15,683	15,368	16,244
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	16,494	24,919	38,278	13,348	98,431	98,431	–	15,683	15,368	16,244
Contracted services											
List services provided by contract		2,557	1,538	1,864	2,998	3,338	3,338		3,539	3,751	3,977

Table 35 MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC109 Kou-Kamma - Supporting Table SA3 Supportinglng detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Call investment deposits											
Call deposits < 90 days		680	6,630	1,155	23,000	23,000	23,000		20,000	16,000	16,960
Other current investments > 90 days											
Total Call investment deposits	2	680	6,630	1,155	23,000	23,000	23,000	–	20,000	16,000	16,960
Consumer debtors											
Consumer debtors		72,461	87,205	93,173	98,121	98,121	98,121		104,086	110,418	117,043
Less: Provision for debt impairment		(71,085)	(82,919)	(80,492)	(93,334)	(93,334)	(93,334)		(94,942)	(96,600)	(102,396)
Total Consumer debtors	2	1,376	4,286	12,681	4,786	4,786	4,786	–	9,144	13,818	14,647
Debt impairment provision											
Balance at the beginning of the year					90,900	90,900	90,900		93,334	90,754	88,019
Contributions to the provision					2,434	2,434	2,434		2,580	2,735	2,899
Bad debts written off		–	–		–	–	–				
Balance at end of year		–	–	–	93,334	93,334	93,334	–	95,915	93,489	90,918
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		217,364	253,303	269,043	276,846	276,846	276,846		295,199	314,627	333,505
Leases recognised as PPE	3	–	–		–	–	–		–	–	–
Less: Accumulated depreciation		31,732	40,481	51,001	48,408	48,408	48,408		52,410	56,651	60,050
Total Property, plant and equipment (PPE)	2	185,632	212,823	218,042	228,437	228,437	228,437	–	242,789	257,976	273,454
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)					–	–	–				
Current portion of long-term liabilities					–	–	–				
Total Current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade and other creditors		20,993	6,314	7,315	13,972	13,972	13,972		14,811	15,699	16,641
Unspent conditional transfers		26,674	4,515	3,516	45,146	45,146	45,146		45,146	45,146	47,854
VAT		516	2,574	3,413	2,892	2,892	2,892		3,066	3,250	3,445
Total Trade and other payables	2	48,183	13,403	14,244	62,010	62,010	62,010	–	63,022	64,094	67,940
Non current liabilities - Borrowing											
Borrowing	4					–	–				
Finance leases (including PPP asset element)					–	–	–				
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits		1,073	2,073	2,573	1,224	1,224	1,224		1,224	1,224	1,298
List other major provision items											
Refuse landfill site rehabilitation					–	–	–				
Other					–	–	–				
Total Provisions - non-current		1,073	2,073	2,573	1,224	1,224	1,224	–	1,224	1,224	1,298
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		35,842	203,163	244,937	179,616	179,616	179,616		221,940	237,915	252,190
GRAP adjustments					–	–	–				
Restated balance		35,842	203,163	244,937	179,616	179,616	179,616	–	221,940	237,915	252,190
Surplus/(Deficit)		112,171	41,773	19,270	14,172	17,068	17,068	–	17,922	10,642	10,900
Appropriations to Reserves					16,875	16,875	16,875				
Transfers from Reserves					–	–	–		(17,922)	(10,642)	(9,508)
Depreciation offsets					(3,740)	(3,740)	(3,740)				
Other adjustments					–	–	–				
Accumulated Surplus/(Deficit)	1	148,013	244,936	264,206	206,924	209,820	209,820	–	221,940	237,915	253,582
Reserves											
Housing Development Fund					–	–	–				
Capital replacement					–	–	–				
Self-insurance					–	–	–				
Other reserves					(13,135)	(13,135)	(13,135)		(13,800)	(14,588)	(15,464)
Revaluation					–	–	–				
Total Reserves	2	–	–	–	(13,136)	(13,135)	(13,135)	–	(13,800)	(14,588)	(15,464)
TOTAL COMMUNITY WEALTH/EQUITY	2	148,013	244,936	264,206	193,788	196,685	196,685	–	208,140	223,327	238,118
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

DRAFT REVIEW OF INTEGRATED DEVELOPMENT PLAN 2013/14 FINANCIAL YEAR

Extract on summary of project profile

3.3 SUMMARY OF PROJECT PROFILE

Project name	Activity	Outcome	Ward	Area	Responsible directorate	Cost	Source of funding
Electrification	Electrification of housing	Completion of electrification of housing project	1	Misgund	Technical and Infrastructure	Completed	Department of Human Settlement
Water	Expansion and Fencing of the Dam and Reservoir	Maintenance and Storage Capacity	1	Misgund	Technical and Infrastructure	R100 000	Department of Water
Cemetery	Fencing	Improve maintenance	1	Misgund	Community Services	R150 000	DLGTA
Health facilities	Facilitate the building of new clinic	Improved health profile of the community	1	Misgund	Community Services	R2.5m	Department of Health
High mast lights	Re-commissioning high mast lights	Completion of project	1	Misgund	Technical and Infrastructure	R250 000	Department of Human Settlement
Dumping site	Establishment of dumping site	Improved waste management	1	Misgund	Community Services	R100 000	KKM and CDM
Multi-purpose centre	Building of multi-purpose centre	Completion of building of multi-purpose centre	1	Misgund	Technical and Infrastructure	R5m	MIG
Sport field	Building of new sport field with Ablution, Grand stand and Fencing	Completion of project	1	Misgund	Community Service/Technical and Infrastructure	R2.5m	MIG
Sewer Upgrading	Upgrading of Sewer	Improve sewer system	1	Misgund	Technical and Infrastructure	R4.5m	MIG

Plastic factory	Manufacturing refuse bags and other plastic accessories	Supply municipality and other businesses with refuse bags	1	Louterwater	Strategic services	R1m	Department of Economic Development, Environmental Affairs and Tourism
Library Services	Expansion of Library	Improve quality educational support	1	Louterwater	Community Services	R300 000	DSRAC and CDM
Health facilities	Facilitate the building of new clinic	Improved health profile of the community	1	Louterwater	Community Services	R2.5m	Department of Health
Play Park Services	Upgrade play park	Provide recreational services	1	Louterwater	Community Services	R70 000	KKM and CDM
Cemetery	Fencing	Improve maintenance	1	Louterwater	Community Services	R50 000	KKM and CDM
Water	Expansion and Fencing of the Dam and Reserviour	Maintenance and Storage Capacity	1	Louterwater	Technical and Infrastruture	R1.5m	KKM and MIG
Educational Facilities	Facilitate building of high school	Improve educational profile of the community	1	Louterwater	Community Services	R90m	Department of Education
Roads	Upgrading of roads	Improve roads	1	Louterwater	Technical and Infrastructure	R4.4m	MIG, KKM, CDM and Department of Transport
Sport field	Expansion, Fencing and building ablution	Completion of project	1	Louterwater	Community Services/Technical and Infrastructure	R2.5m	MIG
Roads	Upgrading of roads	Improve roads	2	Krakeelrivier	Technical and Infrastructure	R2m	MIG
High mast lights	Re-commissioning high mast lights	Completion of project	2	Krakeelrivier	Technical and Infrastructure	R250 000	MIG and KKM

Library facilities	Conversion of a building for library facilities	Completion of the project	2	Krakeelrivier	Community services/ Technical and Infrastructure	R300 000	Department of Public Works
Recreational facilities	Building of play parks	Completion of the project	2	Krakeelrivier	Community services/ Technical and Infrastructure	R150 000	CDM and MIG
Cemetery	Fencing	Improve maintenance	2	Krakeelrivier	Community Services	R50 000	KKM and CDM
Recreational facilities	Building of bus shelter	Completion of the project	2	Krakeelrivier	Community services/ Technical and Infrastructure	R200 000	CDM and KKM
Roads upgrade	Upgrading of roads	Upgraded roads	2	Coldstream	Technical and Infrastructure	R5,9m	MIG
Housing	New housing	Building of 60 houses	2	Coldstream	Technical and Infrastructure	R4.4m	Department of Human Settlement
Multi-purpose centre	Building of multi-purpose centre	Completion of building of multi-purpose centre	2	Coldstream	Technical and Infrastructure	R5m	MIG
Club house and ablution block	Upgrading of club house and improving the ablution block	Completion of the project	2	Coldstream	Technical and Infrastructure	R150 000	MIG / Koukamma
Library facilities	Conversion of a building for library facilities	Completion of the project	2	Coldstream	Community services/ Technical and Infrastructure	R180 000	DSRAC
Recreational facilities	Building of play parks	Completion of the project	2	Coldstream	Community services/ Technical and Infrastructure	R70 000	Koukamma Municipality
Cemetery	Fencing	Improve maintenance	2	Joubertina	Community Services	R50 000	KKM and CDM
Rock arts	Building rock art centre	Completion of the project	2	Joubertina	Strategic services	R1.9m	Department of Tourism

Recreational facilities	Building of shelters for venders	Completion of the project	2	Joubertina	Community services/ Technical and Infrastructure	R100 000	CDM
Recreational facilities	Building of play parks	Completion of the project	3	Ravinia	Community services/ Technical and Infrastructure	R150 000	CDM
Dumping site	Establishment of dumping site	Improved waste managemen t	3	Ravinia	Community Services	R250 000	CDM and KKM
Water	Water meters to be installed	Completion of project	3	Ravinia	Technical and Infrastructure	R800 000	Depart of Water Affairs, CDM
Housing	Rectification of housing	Completion of the project	3	Ravinia	Technical and Infrastructure	R11m	MIG
Cemetery	Fencing & Expanding	Improve maintenance	3	Ravinia	Community Services	R70 000	CDM and KKM
Roads	Upgrading of roads	Improve roads	3	Twee Riviere	Technical and Infrastructure	R4m	Department of Roads and Transport
Water	Expansion and Fencing of the Dam and Reservoir	Maintenance and Storage Capacity	3	Twee Riviere	Technical and Infrastructure	R600 000	Department of Water Affairs, CDM
Recreational facilities	Old Clinic to be upgraded to Orphanage	Completion of the project	3	Twee Riviere	Community services/ Technical and Infrastructure	R900 000	Public Works
Honey bush tea	Renovation of the building for purposes of establishing a nursery	Planting of honey bush tea in the nursery	3	Twee Riviere	Strategic services	R2,3m	Coega Development Corporation
Sport field	Fencing and building ablution	Completion of project	3	Ravinia	Community Services/Technical and Infrastructure	R2.5m	Department of Sports and Recreation
High mast lights	Re-commissioning high mast lights	Completion of project	3	Ravinia	Technical and Infrastructure	R250 000	CDM, MIG
Small town regeneration	Town beautification	Town beautificatio n	3	Ravinia	Community Services/Technical and Infrastructure	R2m	Department of Public Works

Multi-purpose centre	Building of multi-purpose centre	Completion of building of multi-purpose centre	3	Ravinia	Technical and Infrastructure	R5m	MIG
Roads	Upgrading of roads	Improve roads	3	Ravinia	Technical and Infrastructure	R14m	Department of Roads, CDM, MIG
Paving factory	Establishing a paving factory	Assisting municipality on paving the gravel road	4	Kareedouw	Strategic services	R1.5m	Department of Economic Development and Environmental Affairs
Ostrich breeding	Growing of ostrich chickens and selling them to Klein Karoo International	Job creation	4	Kareedouw	Strategic services	R1.5m	Klein Karoo International
High mast lights	Re-commissioning high mast lights	Completion of project	4	New Rest & Uitkyk	Technical and Infrastructure	R250 000	MIG and CDM
Housing	New housing	Building of houses	4	Assegaaibosch	Technical and Infrastructure	R2.2m	Department of Human Settlement
Water	Expansion and Fencing of the Dam and Reservoir	Maintenance and Storage Capacity	4	Mountain View	Technical and Infrastructure	R600 000	MIG
Grazing Land	Land to be made available for stray animals	Availability of land	4	Kareedouw	Community Services	Estimated at R100 000	KKM
Library	Building of a new library	Provision of library services	4	Kareedouw	Community Services	R10m	DSRAC
Small town regeneration	Town beautification	Town beautificatio n	4	Kareedouw	Community Services/Technical and Infrastructure	R2m	Department of Economic Development and Environmental Affairs
Waterborne and water purification	Installation of water bond system and purification	Improved sewerage and purification system	5	Clarkson	Technical and Infrastructure	R1.5m	MIG
Housing	400 New housing	Building of houses	5	Clarkson	Technical and Infrastructure	R29m	Department of Human Settlement

Water	Installation of water meters	Completion of project	5	Clarkson	Technical and Infrastructure	R500 000	MIG
Grazing Land	Land to be made available for stray animals	Availability of Land	5	Clarkson	Community Services	Estimated at R100 000	KKM
Housing	Rectification of RDP housing	Completion of project	5	Clarkson	Technical and Infrastructure	R7m	Department of Human Settlement
Library	Buying of library material	Improved library	5	Clarkson	Technical and Infrastructure	R50 000	MIG
Poultry	Revival of the poultry project	Job creation	5	Clarkson	Strategic services	R100 000	Department of agriculture
Sewing	Sustaining the sewing project	Job creation	5	Clarkson	Strategic services	R50 000	Department of Social Development
Sport field	Fencing and building ablution	Completion of project	5	Clarkson	Community Services/Technical and Infrastructure	R2.2m	MIG
Roads	Tarring of access roads	Completion of project	5	Clarkson	Technical and Infrastructure	R1,5m	MIG
Honey bush tea	Harvesting of honey bush tea	Job creation	5	Guava Juice	Strategic services	R1.6m	Coega Development Corporation
Dumping site	Establishment of dumping site	Improved waste managemen t	5	Guava Juice	Community Services	R1,5m	MIG
Health facilities	Facilitate the building of new clinic	Improved health profile of the community	5	Guava Juice	Community Services	R2.5m	Department of Health
Recreational facilities	Building a new play park	Establishme nt of a play park	5	Guava Juice Woodlands	Community Services	R70 000 R70 000	MIG
Essential oils	Essential products	Job creation	5	Woodlands	Strategic services	R500 000	Cacadu District Municipality
Roads	Tarring of access roads	Completion of project	5	Woodlands	Technical and Infrastructure	R4m	Department of Roads and Transport/ MIG

Furniture factory	Establishment of furniture factory	Job creation	5	Woodlands	Strategic services	R1,5m	Department of Economic Development and Environmental Affairs
Sport field	Fencing and building ablution	Completion of project	5	Woodlands	Community Services/Technical and Infrastructure	R250 000	MIG
Cemetery	Extension and fencing cemetery	Completion of project	5	Woodlands	Community Services/Technical and Infrastructure	R100 000	MIG
Housing	New Housing	Building of houses	5	Eersterivier	Technical and Infrastructure	R5.5m	Department of Human Settlement
Housing	New housing	Building of houses	5	Kwaaibrand	Technical and Infrastructure	R2.2m	Department of Human Settlement
Roads	Upgrading of roads	Improve roads	5	Kwaaibrand	Technical and Infrastructure	R2m	MIG
Library facilities	Conversion of a building for library facilities	Completion of the project	5	Kwaaibrand	Community services/ Technical and Infrastructure	R800 000	Public Works
Cemetery	Identification and establishing	Improve maintenance	5	Kwaaibrand	Community Services	R50 000	KKM and CDM
Recreational facilities	Building of play parks	Completion of the project	5	Kwaaibrand	Community services/ Technical and Infrastructure	R70 000	Department of Sport and Recreation
High mast lights	Re-commissioning high mast lights	Completion of project	5	Kwaaibrand	Technical and Infrastructure	R250 000	CDM and MIG
Housing	New housing	Building of 60 houses	6	Koomansbos	Technical and Infrastructure	R4.4m	Department of Human Settlement
Water	Digging a borehole	Water provision	6	Koomansbos	Technical and Infrastructure	R50 000	MIG
Recreation Facilities	Building of Taxi Shelters	Completion of project	6	Koomansbos	Community Services/ Technical and Infrastructure	R80 000	Department of Roads and Transport
Roads	Upgrading of roads	Improved roads	6	Koomansbos	Technical and Infrastructure	R2.2m	MIG and CDM

Recreational facilities	Building of Community Hall	Completion of the project	6	Koomansbos	Community services/ Technical and Infrastructure	R4m	MIG and CDM
Electrification	Establishing a vending station	Provision of electricity	6	Blikkiesdorp	Technical and Infrastructure	R100 000	MIG
Sewer Upgrading	Upgrading of Sewer	Improve sewer system	6	Blikkiesdorp	Technical and Infrastructure	R2m	MIG
Bakery project	Resuscitation of the project	Job creation	6	Mandela Park	Strategic services	R150 000	Koukamma Municipality
Ceramic project	Establishment of ceramic factory	Job creation	6	Mandela Park	Strategic services	R1,5m	Department of Economic Development and Environmental Affairs
Cemetery	Fencing	Improve maintenance	6	Mandela Park	Community Services	R50 000	CDM and MIG
Roads	Upgrading of roads	Improved roads	6	Mandela Park	Technical and Infrastructure	R2m	Department of Roads and Transport/MIG
Recreational facilities	Building a new play park	Establishment of a play park	6	Mandela Park	Community Services	R70 000	Koukamma Municipality
Sport field	Building ablution	Completion of project	6	Mandela Park	Community Services/Technical and Infrastructure	R2m	MIG
Recreational facilities	Supporting mobi-gym	Encourage healthy living	6	Mandela Park	Community Services	R35 000	Koukamma Municipality
Water	Water purification plant	Improved water quality	6	Mandela Park	Technical and Infrastructure	R1,2m	MIG
Sanitation	Changing from Pit toilet to flush toilets	Improved sanitation	6	Thornham	Technical and Infrastructure	R1,2m	MIG
Cemetery	Fencing of Cemetery	Cemetery fencing	6	Thornham	Community Services	R70 000	Koukamma Municipality
Community hall	Building of the community hall	Completion of project	6	Thornham	Community Services	R1.5m	MIG
Roads	Upgrading of roads	Improved roads	6	Thornham	Technical and Infrastructure	R 2.2m	MIG

Housing	Building of houses	Completion of project	6	Thornham	Technical and Infrastructure	R2.9m	Department of Human Settlement
Libraries	Upgrading of Library	Library to be completed	6	Thornham	Community Services	R250 000	DSRAC
Cemeteries	Cleaning of cemeteries	Clean cemeteries	6	Griquas Trust	Community Services	R25 000	Kou kamma Municipality
Electrification	Houses electrification	Completion of project	6	Griquas Trust	Technical and Infrastructure	R5m	Department Human Settlement
Housing	Building of new houses	New housing project	6	Griquas Trust	Technical and Infrastructure	R3.2m	Department Human Settlement
Library	New library	Improve library services	6	Stormsriver	Community Services	R1.5m	DSRAC
Multipurpose centre	Building of Multipurpose centre	Completion of building Multipurpos e Centre	6	Stormsriver	Technical and Infrastructure	R4m	MIG
Recreation Facilities	Building of Public Toilets	Completion of project	6	Stormsriver Town	Community Services/ Technical and Infrastructure	R100 000	MIG Small town development project
Sport field	Building of new sport field with Ablution, Grand stand and Fencing	Completion of project	6	Stormsriver	Community Service/Technical and Infrastructure	R4m	MIG
Cemetery	Building of new Cemetery, water, parking area and fencing	Completion of project	6	Stormsriver	Community Service	R500 000	Cacadu/Koukam ma
Play Park	Building of new Play Park	Completion of Play Park	6	Stormsriver	Community Service	R70 000	KKM